

ATTACHMENT 48

HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

SURGICAL INSTRUMENT SERVICE
COMPANY, INC.,

Plaintiff,

v.

Case No.: 3:21-cv-03496-VC

INTUITIVE SURGICAL, INC.,

Defendant.

**Updated Bero Report Schedules / Errata Sheet
February 25, 2023**

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On December 2, 2022, I issued an expert report (the “Bero Report”) in this matter. In the Bero Report, I provided expert opinions on damages on behalf of Surgical Instrument Service Company, Inc. (“SIS”) in *Surgical Instrument Service Company, Inc. v. Intuitive Surgical, Inc.*, Case No. 3:21-cv-03496-VC. The Bero Report included the **Schedule 1 – 16** series.

On January 18, 2023, Loren K. Smith, PH.D., issued a rebuttal report addressing my damages opinions stated in the Bero Report (the “Smith Rebuttal Report”).¹ Among other criticisms, the Smith Rebuttal Report identifies 2018 to 2020 costs that were mis-categorized as 2020 to 2022 costs as part of a cell referencing error in the Bero Report’s “distributor model.”² To account for this, I have adjusted my analyses accordingly.

The Smith Rebuttal Report also addresses the Bero Report’s use of a 72% repair yield and suggests a repair yield approximating 69% is more appropriate.³ As described in the Bero Report, the 72% repair yield % I used is based on various data points, which indicate this % could be higher than 72%.⁴ Nonetheless, I have updated my analyses using 69.35%, the lowest of the identified repair yield % data points.

For errata purposes, I have updated the following Bero Report schedules for these two items: **Schedules 1.0, 2.0, 2.1, 2.2, 3.0, 3.1, 4.0, 4.1, 4.2, 4.3, 4.4, 4.5, 5.0, 5.1, 5.2, 5.3, 16.1** and **16.2**. I have included these **Updated Schedules** along with all non-updated **Schedules** in the attached **Updated Schedule 1 – 16** series.⁵ These **Updated Schedules** supersede the Bero Report’s **Schedule 1 – 16** series, and do not change the substance of my opinions contained in the Bero Report.

Based on my **Updated Schedules**, I have also updated the Bero Report’s **Table 1** and **Table 5**, both of which supersede the corresponding tables in the Bero Report. **Updated Table 1** below shows the updated damages amounts:⁶

¹ I will respond to other items the Smith Rebuttal Report addressed that are not addressed herein in my second rebuttal report due March 1, 2023.

² Smith Rebuttal Report 16-17. The Smith Rebuttal Report refers to these costs as “payments” even though they were described as “costs” in the Bero Report. *See, e.g.*, the description on Bero Report **Schedule 3.1**.

³ Smith Rebuttal Report 16-17. Rounded to 2 decimal points, this 69% approximates 69.35%.

⁴ *See, e.g.*, Bero Report 51-52 and **Schedule 2.2** at FN [J].

⁵ The Bero Report schedules that do not have to be updated are not referred to as “Updated Schedules.”

⁶ **Updated Schedule 1.0**.

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Updated Table 1: Damages Summary

	Scenario 1		Scenario 2	
<u>Discounted lost profits</u>				
In-house model	\$98,855,878	\$54,099,123	to	\$77,650,884
Distributor model	\$36,492,836	\$19,905,925	to	\$28,597,644
Lanham Act		\$258,367,896	to	\$371,219,363

Updated Table 5 below shows the updated ‘Would-Have-Been’ EndoWrist repair units:⁷

Updated Table 5: ‘Would-Have-Been’ EndoWrist repair units

	Scenario 1		Scenario 2	
EndoWrist instruments potentially repairable by SIS – units	2,418,163	1,771,630	to	2,118,209
Expired EndoWrist instrument - units	1,450,896	1,062,977	to	1,270,924
SIS market share units	797,993	584,637	to	699,008
SIS converted units	470,187	303,952	to	391,199
SIS collected units	329,132	212,766	to	273,840
Would-have-been Lost EndoWrist repair units	228,271	147,565	to	189,923
Market penetration (% of total units)	9%	8%	to	9%

My **Updated Schedules** and **Updated Tables** described herein are based upon information that is presently known and available to me. If additional information is made available, I may update these accordingly.

Respectfully submitted,

Richard F. Bero, CPA, CVA
February 25, 2023

⁷ Updated Schedules 2.2, 4.2 and 4.5.

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Updated Schedule 2.2	Scenario 1 - Lost EndoWrist Repair Units
Updated Schedule 3.0	Scenario 1 - Discounted Lost Profits: Distributor Model
Updated Schedule 3.1	Scenario 1 - Undiscounted Lost Profits: Distributor Model
Updated Schedule 4.0	Scenario 2 - Discounted Lost Profits: In-house Model (2 Year X/Xi Delay)
Updated Schedule 4.1	Scenario 2 - Undiscounted Lost Profits: In-house Model (2 Year X/Xi Delay)
Updated Schedule 4.2	Scenario 2 - Lost EndoWrist Repair Units (2 Year X/Xi Delay)
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Updated Schedule 4.5	Scenario 2 - Lost EndoWrist Repair Units (1 Year X/Xi Delay)
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Schedule 15.1	SIS's Detailed SGA: 2019 - October 2021
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Updated Schedule 16.2	Lanham Act Based on Scenario 2 - Unenforceable Contracts(1 Year X/Xi Delay): 2020 - 2025

Damages Summary

Updated Schedule 1.0

	2020	2021	2022	2023	2024 (discounted)	2025 (discounted)	Total
Lost profits							
<u>Scenario 1 - Illegal Encryption</u>							
[A] In-house model							
	\$4,683,351	\$16,356,080	\$23,334,015	\$26,646,628	\$21,236,600	\$6,599,204	\$98,855,878
[B] Distributor model							
	\$1,757,047	\$6,090,950	\$8,590,929	\$9,808,514	\$7,816,508	\$2,428,888	\$36,492,836
<u>Scenario 2 - Unenforceable Contracts</u>							
<u>2 Year X/Xi delay</u>							
[C] In-house model							
	\$725,610	\$1,030,904	\$5,404,742	\$19,102,063	\$21,236,600	\$6,599,204	\$54,099,123
[D] Distributor model							
	\$264,784	\$371,772	\$1,992,184	\$7,031,789	\$7,816,508	\$2,428,888	\$19,905,925
<u>1 Year X/Xi delay</u>							
[E] In-house model							
	\$725,610	\$5,628,512	\$16,814,330	\$26,646,628	\$21,236,600	\$6,599,204	\$77,650,884
[F] Distributor model							
	\$264,784	\$2,087,546	\$6,191,404	\$9,808,514	\$7,816,508	\$2,428,888	\$28,597,644
Lanham Act							
[G] Scenario 2 - 2 year X/Xi delay							
	\$3,274,156	\$4,775,564	\$25,742,312	\$91,369,970	\$101,623,818	\$31,582,076	\$258,367,896
[H] Scenario 2 - 1 year X/Xi delay							
	\$3,274,156	\$26,905,717	\$80,352,656	\$127,480,940	\$101,623,818	\$31,582,076	\$371,219,363

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

- [A]** Per Updated Schedule 2.0.
- [B]** Per Updated Schedule 3.0.
- [C]** Per Updated Schedule 4.0.
- [D]** Per Updated Schedule 5.0.
- [E]** Per Updated Schedule 4.3.
- [F]** Per Updated Schedule 5.2.
- [G]** Per Updated Schedule 16.1.
- [H]** Per Updated Schedule 16.2.

Scenario 1 - Discounted Lost Profits: In-house Model

Updated Schedule 2.0

	2020	2021	2022	2023	2024	2025	Total
<u>Lost EndoWrist repair units</u>							
[A] da Vinci S/Si	1,273	1,796	921	431	170	35	4,626
[B] da Vinci X/Xi	7,209	27,763	40,968	47,407	40,179	14,008	177,534
[C] Total	8,482	29,559	41,889	47,838	40,349	14,043	182,160
<u>Lost revenues</u>							
[A] da Vinci S/Si	\$1,829,301	\$2,605,996	\$1,320,714	\$618,054	\$243,780	\$50,190	\$6,668,035
[B] da Vinci X/Xi	\$10,193,526	\$39,562,275	\$58,666,176	\$67,886,824	\$57,536,328	\$20,059,456	\$253,904,585
[C] Total	\$12,022,827	\$42,168,271	\$59,986,890	\$68,504,878	\$57,780,108	\$20,109,646	\$260,572,620
<u>Incremental costs</u>							
[A] da Vinci S/Si	\$1,103,691	\$1,575,092	\$805,875	\$377,125	\$148,750	\$30,625	\$4,041,158
[B] da Vinci X/Xi	\$6,235,785	\$24,237,099	\$35,847,000	\$41,481,125	\$35,156,625	\$12,257,000	\$155,214,634
[C] Total	\$7,339,476	\$25,812,191	\$36,652,875	\$41,858,250	\$35,305,375	\$12,287,625	\$159,255,792
<u>Lost profits (undiscounted)</u>							
[A] da Vinci S/Si	\$725,610	\$1,030,904	\$514,839	\$240,929	\$95,030	\$19,565	\$2,626,877
[B] da Vinci X/Xi	\$3,957,741	\$15,325,176	\$22,819,176	\$26,405,699	\$22,379,703	\$7,802,456	\$98,689,951
[C] Total	\$4,683,351	\$16,356,080	\$23,334,015	\$26,646,628	\$22,474,733	\$7,822,021	\$101,316,828
[D] Discount %					12%	12%	
[E] Discount period					0.5	1.5	
[F] Discount factor	1.00000	1.00000	1.00000	1.00000	0.94491	0.84367	
[G] Discounted lost profits	\$4,683,351	\$16,356,080	\$23,334,015	\$26,646,628	\$21,236,600	\$6,599,204	\$98,855,878

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

[A] Per Updated Schedule 2.1.

[B] Per Updated Schedule 2.1.

[C] = [A] + [B]

[D] For the GICS 35101010, Health Care Equipment & Supplies, Duff and Phelps - Cost of Capital Composite, September 30, 2022, the average SIC/GICS Composite WACC (weighted average cost of capital) is 9.2% and median WACC is 8.9%. For the small composite, the WACC is 11.1% to 11.2% (CRSP Decile). For purposes of my analysis I use 12%, which is conservative. Note: The projections after 2022 do not include growth, therefore the discount rate would likely be less.

[E] Calculated using the mid-year convention to January 1, 2024, the approximate date of trial.

[F] = (1 + [H]) ^ - [I], rounded to 5 decimals.

[G] = Lost profits (undiscounted) per [C] * [F]

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Scenario 1 - Undiscounted Lost Profits: In-house Model

Updated Schedule 2.1

	2020	2021	2022	2023	2024	2025	Total	
da Vinci S/Si								
[A] Lost EndoWrist repair units	1,273	1,796	921	431	170	35	4,626	
<u>Per unit</u>								
[B] Average selling price	\$1,437	\$1,451	\$1,434	\$1,434	\$1,434	\$1,434	\$1,441	
<u>Incremental costs per unit</u>								
[C] Repair costs	\$148	\$155	\$156	\$156	\$156	\$156	\$153	
[D] Chip costs	\$533	\$533	\$533	\$533	\$533	\$533	\$533	
[E] Vizient admin fees - % of sales	4%	\$57	\$58	\$57	\$57	\$57	\$57	
[F] Additional SGA - % of sales	9%	\$129	\$131	\$129	\$129	\$129	\$130	
[G] Total incremental costs		\$867	\$877	\$875	\$875	\$875	\$874	
[H] Lost profits per unit		\$570	\$574	\$559	\$559	\$559	\$568	
[I] Lost revenues		\$1,829,301	\$2,605,996	\$1,320,714	\$618,054	\$243,780	\$50,190	\$6,668,035
<u>Incremental costs</u>								
[J] Repair costs	\$188,404	\$278,380	\$143,676	\$67,236	\$26,520	\$5,460	\$709,676	
[K] Chip costs	\$678,509	\$957,268	\$490,893	\$229,723	\$90,610	\$18,655	\$2,465,658	
[L] Vizient admin fees - 4% of sales		\$72,561	\$104,168	\$52,497	\$24,567	\$9,690	\$1,995	\$265,478
[M] Additional SGA - % of sales		\$164,217	\$235,276	\$118,809	\$55,599	\$21,930	\$4,515	\$600,346
[N] Total incremental costs		\$1,103,691	\$1,575,092	\$805,875	\$377,125	\$148,750	\$30,625	\$4,041,158
[O] Lost profits - undiscounted		\$725,610	\$1,030,904	\$514,839	\$240,929	\$95,030	\$19,565	\$2,626,877
da Vinci X/Xi								
[A] Lost EndoWrist repair units	7,209	27,763	40,968	47,407	40,179	14,008	177,534	
<u>Per unit</u>								
[B] Average selling price	\$1,414	\$1,425	\$1,432	\$1,432	\$1,432	\$1,432	\$1,430	
<u>Incremental costs per unit</u>								
[C] Repair costs	\$148	\$155	\$156	\$156	\$156	\$156	\$156	
[D] Chip costs	\$533	\$533	\$533	\$533	\$533	\$533	\$533	
[E] Vizient admin fees - % of sales	4%	\$57	\$57	\$57	\$57	\$57	\$57	
[F] Additional SGA - % of sales	9%	\$127	\$128	\$129	\$129	\$129	\$129	
[G] Total incremental costs		\$865	\$873	\$875	\$875	\$875	\$874	
[H] Lost profits per unit		\$549	\$552	\$557	\$557	\$557	\$556	
[I] Lost revenues		\$10,193,526	\$39,562,275	\$58,666,176	\$67,886,824	\$57,536,328	\$20,059,456	\$253,904,585
<u>Incremental costs</u>								
[J] Repair costs	\$1,066,932	\$4,303,265	\$6,391,008	\$7,395,492	\$6,267,924	\$2,185,248	\$27,609,869	
[K] Chip costs	\$3,842,397	\$14,797,679	\$21,835,944	\$25,267,931	\$21,415,407	\$7,466,264	\$94,625,622	
[L] Vizient admin fees - 4% of sales		\$410,913	\$1,582,491	\$2,335,176	\$2,702,199	\$2,290,203	\$798,456	\$10,119,438
[M] Additional SGA - % of sales		\$915,543	\$3,553,664	\$5,284,872	\$6,115,503	\$5,183,091	\$1,807,032	\$22,859,705
[N] Total incremental costs		\$6,235,785	\$24,237,099	\$35,847,000	\$41,481,125	\$35,156,625	\$12,257,000	\$155,214,634
[O] Lost profits - undiscounted		\$3,957,741	\$15,325,176	\$22,819,176	\$26,405,699	\$22,379,703	\$7,802,456	\$98,689,951

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Scenario 1 - Undiscounted Lost Profits: In-house Model

Updated Schedule 2.1

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

- [A] Per Updated Schedule 2.2.
- [B] Per Schedule 8.0. For purposes of my analysis, the ASP after 2022 is the same as 2022.
- [C] Per Schedule 9.0. For purposes of my analysis, the cost per unit after 2022 is the same as 2022.
- [D] Per Schedule 10.0.
- [E] = [B] * 4%. Per SIS169233-169280 at 238-239, SIS would have paid Vizient a GPO administrative fee of 4% of net sales. Per SIS319315, SIS would have paid Yankee a 3% administrative fee. SIS would not have paid an administrative fee for non-Vizient and non-Yankee customers. For purposes of my analysis, I assume all sales would have been subject to a 4% administrative fee, consistent with the Vizient Agreement.
- [F] = [B] * 9% per Schedule 15.1.
- [G] = [C] + [D] + [E] + [F]
- [H] = [B] - [G]
- [I] = [A] * [B]
- [J] = [A] * [C]
- [K] = [A] * [D]
- [L] = [A] * [E]
- [M] = [A] * [F]
- [N] = [J] + [K] + [L] + [M]
- [O] = [I] - [N]

Scenario 1 - Lost EndoWrist Repair Units

Updated Schedule 2.2

	2020	2021	2022	2023	2024	2025	Total
<u>EndoWrist instruments potentially repairable by SIS - units</u>							
[A] da Vinci S/Si	52,970	22,411	8,214	3,839	1,928	1,077	90,439
[A] da Vinci X/Xi	299,954	346,579	365,304	422,719	455,982	437,186	2,327,724
[A] Total	352,924	368,990	373,518	426,558	457,910	438,263	2,418,163
[B] Expiration rate of new sales units	60%	60%	60%	60%	60%	60%	60%
<u>Expired EndoWrist instrument - units</u>							
[C] da Vinci S/Si	31,782	13,447	4,928	2,303	1,157	646	54,263
[C] da Vinci X/Xi	179,972	207,947	219,182	253,631	273,589	262,312	1,396,633
[C] Total	211,754	221,394	224,110	255,934	274,746	262,958	1,450,896
[D] SIS market share rate	55%	55%	55%	55%	55%	55%	55%
<u>SIS market share units</u>							
[E] da Vinci S/Si	17,480	7,396	2,710	1,267	636	355	29,844
[E] da Vinci X/Xi	98,985	114,371	120,550	139,497	150,474	144,272	768,149
[E] Total	116,465	121,767	123,260	140,764	151,110	144,627	797,993
<u>SIS conversion factor</u>							
[F] da Vinci S/Si	15%	50%	70%	70%	70%	70%	70%
[F] da Vinci X/Xi	15%	50%	70%	70%	70%	70%	70%
<u>SIS converted units</u>							
[G] da Vinci S/Si	2,622	3,698	1,897	887	445	249	9,798
[G] da Vinci X/Xi	14,848	57,186	84,385	97,648	105,332	100,990	460,389
[G] Total	17,470	60,884	86,282	98,535	105,777	101,239	470,187
[H] Collection rate of SIS converted units	70%	70%	70%	70%	70%	70%	70%
<u>SIS collected units</u>							
[I] da Vinci S/Si	1,835	2,589	1,328	621	312	174	6,859
[I] da Vinci X/Xi	10,394	40,030	59,070	68,354	73,732	70,693	322,273
[I] Total	12,229	42,619	60,398	68,975	74,044	70,867	329,132
[J] Repair yield of SIS would-have-been units	69.35%	69.35%	69.35%	69.35%	69.35%	69.35%	69.35%
<u>Would-have-been Lost EndoWrist repair units</u>							
[K] da Vinci S/Si	1,273	1,796	921	431	216	121	4,758
[K] da Vinci X/Xi	7,209	27,763	40,968	47,407	51,137	49,029	223,513
[K] Total	8,482	29,559	41,889	47,838	51,353	49,150	228,271
[L] Market penetration (% of total units)	2%	8%	11%	11%	11%	11%	9%

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Scenario 1 - Lost EndoWrist Repair Units

Updated Schedule 2.2

	2020	2021	2022	2023	2024	2025	Total
<u>Actual conversion rate</u>							
[M] da Vinci S/Si					15%	50%	
[M] da Vinci X/Xi					15%	50%	
<u>Actual EndoWrist repair units</u>							
[N] da Vinci S/Si				46	86	132	
[N] da Vinci X/Xi				10,958	35,021	45,979	
[N] Total				11,004	35,107	46,111	
<u>Lost EndoWrist repair units</u>							
[O] da Vinci S/Si	1,273	1,796	921	431	170	35	4,626
[O] da Vinci X/Xi	7,209	27,763	40,968	47,407	40,179	14,008	177,534
[O] Total	8,482	29,559	41,889	47,838	40,349	14,043	182,160

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

[A] Per Schedule 6.0.

[B] Per Schedule 7.0.

[C] = [A] * [B]

[D] Per <https://web.archive.org/web/20191108191050/https://www.vizientinc.com/what-we-do> as of November 8, 2019, "50% of the nation's acute care providers are Vizient members." Per <https://www.vizientinc.com/> as of November 29, 2022, Vizient has ">60% of acute care hospitals in the U.S." For purposes of my analysis, I use 55%. See discussion in my report.

[E] = [C] * [D]

[F] Per discussion with Keith Johnson and Greg Posdal, SIS anticipated a quick ramp up in 2020, both in sales and in-house repair capabilities. According to Jean Sargent there would have been a transition timeframe conversion for this type of program. In 2020, or Year 1, 30% of Vizient's acute care providers would have reasonably converted. In 2021, or Year 2, and thereafter, 70% would have reasonably converted. I apply a 15% conversion factor in 2020, or Year 1 (i.e. mid-point between 0% January 1 and 30% December 31st). I apply a 50% conversion factor in 2021, or Year 2 (i.e., mid-point between 30% January 1 and 70% December 31st). I apply a 70% conversion factor in 2022, or Year 3, and thereafter. Per May Dep. 113-114 (November 3, 2022), if the Xi had the same security measures as the Si, Restore would have been able to repair the Xi's as of January 2020.

[G] = [E] * [F]

[H] Per Morales 30(b)(6) Dep. Ex. 143 (Intuitive-00626597-626616 at 604), where Intuitive targets a collection rate of 70%. See also, Intuitive-00620200 where Intuitive assumes a collection rate of 70%. See also, Morales 30(b)(6)Dep. Ex. 141 (at pdf page 1), where Intuitive targets a collection rate of 80%. Per discussion with Jean Sargent, I understand for an expensive instrument such as an EndoWrist, a 75% collection rate would be reasonable.

[I] = [G] * [H]

[J] Deposition of Clifton Parker 43-45, 178-179 (October 25, 2022). Per Restore-00094918-00094956 at 922 (Parker Dep. Ex. 121), 215 out of 310 instruments (approximately 69.35%) collected in a 2-week sample that had lives on them passed Restore's inspection (i.e., were repairable). Note: Per Morales 30(b)(6) Dep. Ex. 143 (Intuitive-00626597-626616 at 609), where Intuitive realized a yield of 85%. See also, Morales 30(b)(6) Dep. Ex. 143 (Intuitive-00626597-626616 at 612), where Intuitive targeted a yield of 85% to 95%. Schedule 14.0 shows the repair yield of SIS collectable units was approximately 88%. For purposes of my analysis, I use approximately 69.35%.

Scenario 1 - Lost EndoWrist Repair Units

Updated Schedule 2.2

2020	2021	2022	2023	2024	2025	Total
------	------	------	------	------	------	-------

[K] = [I] * [J]

[L] = [K] / [A]

[M] Assuming trial is resolved in or about January 1, 2024, SIS would then begin ramping up. For the Actual EndoWrist repair units, I use the Year 1, Year 2 and Year 3 market conversion rates addressed at [F] above. Currently, I assume Year 1 is 2024 and the first year SIS will begin selling its repair program again. Per May Dep. 60 (November 3, 2022), Restore will have the technical capability to change the usage limitations of the EndoWrist X/Xi's in the third or fourth quarter of 2023. For purposes of this analysis, I assume the conversion rate for the S/Si and X/Xi would be the same starting January 1, 2024.

[N] = [E] * [H] * [J] * [M]

[O] = [K] - [N]

Scenario 1 - Discounted Lost Profits: Distributor Model

Updated Schedule 3.0

	2020	2021	2022	2023	2024	2025	Total
<u>Lost EndoWrist repair units</u>							
[A] da Vinci S/Si	1,273	1,796	921	431	170	35	4,626
[B] da Vinci X/Xi	7,209	27,763	40,968	47,407	40,179	14,008	177,534
[C] Total	8,482	29,559	41,889	47,838	40,349	14,043	182,160
<u>Lost revenues</u>							
[A] da Vinci S/Si	\$1,829,301	\$2,605,996	\$1,320,714	\$618,054	\$243,780	\$50,190	\$6,668,035
[B] da Vinci X/Xi	\$10,193,526	\$39,562,275	\$58,666,176	\$67,886,824	\$57,536,328	\$20,059,456	\$253,904,585
[C] Total	\$12,022,827	\$42,168,271	\$59,986,890	\$68,504,878	\$57,780,108	\$20,109,646	\$260,572,620
<u>Incremental costs</u>							
[A] da Vinci S/Si	\$1,564,517	\$2,234,224	\$1,128,225	\$527,975	\$208,250	\$42,875	\$5,706,066
[B] da Vinci X/Xi	\$8,701,263	\$33,843,097	\$50,267,736	\$58,168,389	\$49,299,633	\$17,187,816	\$217,467,934
[C] Total	\$10,265,780	\$36,077,321	\$51,395,961	\$58,696,364	\$49,507,883	\$17,230,691	\$223,174,000
<u>Lost profits (undiscounted)</u>							
[A] da Vinci S/Si	\$264,784	\$371,772	\$192,489	\$90,079	\$35,530	\$7,315	\$961,969
[B] da Vinci X/Xi	\$1,492,263	\$5,719,178	\$8,398,440	\$9,718,435	\$8,236,695	\$2,871,640	\$36,436,651
[C] Total	\$1,757,047	\$6,090,950	\$8,590,929	\$9,808,514	\$8,272,225	\$2,878,955	\$37,398,620
[D] Discount %					12%	12%	
[E] Discount period					0.5	1.5	
[F] Discount factor	1.00000	1.00000	1.00000	1.00000	0.94491	0.84367	
[G] Discounted lost profits	\$1,757,047	\$6,090,950	\$8,590,929	\$9,808,514	\$7,816,508	\$2,428,888	\$36,492,836

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

[A] Per Updated Schedule 3.1.

[B] Per Updated Schedule 3.1.

[C] = [A] + [B]

[D] For the GICS 35101010, Health Care Equipment & Supplies, Duff and Phelps - Cost of Capital Composite, September 30, 2022, the average SIC/GICS Composite WACC (weighted average cost of capital) is 9.2% and median WACC is 8.9%. For the small composite, the WACC is 11.1% to 11.2% (CRSP Decile). For purposes of my analysis I use 12%, which is conservative. Note: The projections after 2022 do not include growth, therefore the discount rate would likely be less.

[E] Calculated using the mid-year convention to January 1, 2024, the approximate date of trial.

[F] = (1 + [H]) ^ - [I], rounded to 5 decimals.

[G] = Lost profits (undiscounted) per [C] * [F]

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Scenario 1 - Undiscounted Lost Profits: Distributor Model

Updated Schedule 3.1

	2020	2021	2022	2023	2024	2025	Total	
da Vinci S/Si								
[A] Lost EndoWrist repair units		1,273	1,796	921	431	170	35	4,626
<u>Per unit</u>								
[B] Average selling price		\$1,437	\$1,451	\$1,434	\$1,434	\$1,434	\$1,441	
<u>Incremental costs per unit</u>								
[C] Repair costs (including chip costs)		\$1,043	\$1,055	\$1,039	\$1,039	\$1,039	\$1,039	\$1,046
[D] Vizient admin fees - % of sales	4%	\$57	\$58	\$57	\$57	\$57	\$57	\$57
[E] Additional SGA - % of sales	9%	\$129	\$131	\$129	\$129	\$129	\$129	\$130
[F] Total incremental costs		\$1,229	\$1,244	\$1,225	\$1,225	\$1,225	\$1,225	\$1,233
[G] Lost profits per unit		\$208	\$207	\$209	\$209	\$209	\$209	\$208
[H] Lost revenues		\$1,829,301	\$2,605,996	\$1,320,714	\$618,054	\$243,780	\$50,190	\$6,668,035
<u>Incremental costs</u>								
[I] Repair costs (including chip costs)		\$1,327,739	\$1,894,780	\$956,919	\$447,809	\$176,630	\$36,365	\$4,840,242
[J] Vizient admin fees - 4% of sales		\$72,561	\$104,168	\$52,497	\$24,567	\$9,690	\$1,995	\$265,478
[K] Additional SGA - % of sales		\$164,217	\$235,276	\$118,809	\$55,599	\$21,930	\$4,515	\$600,346
[L] Total incremental costs		\$1,564,517	\$2,234,224	\$1,128,225	\$527,975	\$208,250	\$42,875	\$5,706,066
[M] Lost profits - undiscounted		\$264,784	\$371,772	\$192,489	\$90,079	\$35,530	\$7,315	\$961,969
da Vinci X/Xi								
[A] Lost EndoWrist repair units		7,209	27,763	40,968	47,407	40,179	14,008	177,534
<u>Per unit</u>								
[B] Average selling price		\$1,414	\$1,425	\$1,432	\$1,432	\$1,432	\$1,432	\$1,430
<u>Incremental costs per unit</u>								
[C] Repair costs (including chip costs)		\$1,023	\$1,034	\$1,041	\$1,041	\$1,041	\$1,041	\$1,039
[D] Vizient admin fees - % of sales	4%	\$57	\$57	\$57	\$57	\$57	\$57	\$57
[E] Additional SGA - % of sales	9%	\$127	\$128	\$129	\$129	\$129	\$129	\$129
[F] Total incremental costs		\$1,207	\$1,219	\$1,227	\$1,227	\$1,227	\$1,227	\$1,225
[G] Lost profits per unit		\$207	\$206	\$205	\$205	\$205	\$205	\$205
[H] Lost revenues		\$10,193,526	\$39,562,275	\$58,666,176	\$67,886,824	\$57,536,328	\$20,059,456	\$253,904,585
<u>Incremental costs</u>								
[I] Repair costs (including chip costs)		\$7,374,807	\$28,706,942	\$42,647,688	\$49,350,687	\$41,826,339	\$14,582,328	\$184,488,791
[J] Vizient admin fees - 4% of sales		\$410,913	\$1,582,491	\$2,335,176	\$2,702,199	\$2,290,203	\$798,456	\$10,119,438
[K] Additional SGA - % of sales		\$915,543	\$3,553,664	\$5,284,872	\$6,115,503	\$5,183,091	\$1,807,032	\$22,859,705
[L] Total incremental costs		\$8,701,263	\$33,843,097	\$50,267,736	\$58,168,389	\$49,299,633	\$17,187,816	\$217,467,934
[M] Lost profits - undiscounted		\$1,492,263	\$5,719,178	\$8,398,440	\$9,718,435	\$8,236,695	\$2,871,640	\$36,436,651

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Scenario 1 - Undiscounted Lost Profits: Distributor Model

Updated Schedule 3.1

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

- [A] Per Updated Schedule 2.2.
- [B] Per Schedule 8.0. For purposes of my analysis, the ASP after 2022 is the same as 2022.
- [C] Per Schedule 11.0. For purposes of my analysis, the cost per unit after 2022 is the same as 2022.
- [D] = [B] * 4%. Per SIS169233-169280 at 238-239, SIS would have paid Vizient a GPO administrative fee of 4% of net sales. Per SIS319315, SIS would have paid Yankee a 3% administrative fee. SIS would not have paid an administrative fee for non-Vizient and non-Yankee customers. For purposes of my analysis, I assume all sales would have been subject to a 4% administrative fee, consistent with the Vizient Agreement.
- [E] = [B] * 9% per Schedule 15.1.
- [F] = [C] + [D] + [E]
- [G] = [B] - [F]
- [H] = [A] * [B]
- [I] = [A] * [C]
- [J] = [A] * [D]
- [K] = [A] * [E]
- [L] = [I] + [J] + [K]
- [M] = [H] - [L]

Scenario 2 - Discounted Lost Profits: In-house Model (2 Year X/Xi Delay) Updated Schedule 4.0

	2020	2021	2022	2023	2024	2025	Total
<u>Lost EndoWrist repair units</u>							
[A] da Vinci S/Si	1,273	1,796	921	431	170	35	4,626
[B] da Vinci X/Xi	0	0	8,779	33,862	40,179	14,008	96,828
[C] Total	1,273	1,796	9,700	34,293	40,349	14,043	101,454
<u>Lost revenues</u>							
[A] da Vinci S/Si	\$1,829,301	\$2,605,996	\$1,320,714	\$618,054	\$243,780	\$50,190	\$6,668,035
[B] da Vinci X/Xi	\$0	\$0	\$12,571,528	\$48,490,384	\$57,536,328	\$20,059,456	\$138,657,696
[C] Total	\$1,829,301	\$2,605,996	\$13,892,242	\$49,108,438	\$57,780,108	\$20,109,646	\$145,325,731
<u>Incremental costs</u>							
[A] da Vinci S/Si	\$1,103,691	\$1,575,092	\$805,875	\$377,125	\$148,750	\$30,625	\$4,041,158
[B] da Vinci X/Xi	\$0	\$0	\$7,681,625	\$29,629,250	\$35,156,625	\$12,257,000	\$84,724,500
[C] Total	\$1,103,691	\$1,575,092	\$8,487,500	\$30,006,375	\$35,305,375	\$12,287,625	\$88,765,658
<u>Lost profits (undiscounted)</u>							
[A] da Vinci S/Si	\$725,610	\$1,030,904	\$514,839	\$240,929	\$95,030	\$19,565	\$2,626,877
[B] da Vinci X/Xi	\$0	\$0	\$4,889,903	\$18,861,134	\$22,379,703	\$7,802,456	\$53,933,196
[C] Total	\$725,610	\$1,030,904	\$5,404,742	\$19,102,063	\$22,474,733	\$7,822,021	\$56,560,073
[D] Discount %					12%	12%	
[E] Discount period					0.5	1.5	
[F] Discount factor	1.00000	1.00000	1.00000	1.00000	0.94491	0.84367	
[G] Discounted lost profits	\$725,610	\$1,030,904	\$5,404,742	\$19,102,063	\$21,236,600	\$6,599,204	\$54,099,123

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

[A] Per Updated Schedule 4.1.

[B] Per Updated Schedule 4.1.

[C] = [A] + [B]

[D] For the GICS 35101010, Health Care Equipment & Supplies, Duff and Phelps - Cost of Capital Composite, September 30, 2022, the average SIC/GICS Composite WACC (weighted average cost of capital) is 9.2% and median WACC is 8.9%. For the small composite, the WACC is 11.1% to 11.2% (CRSP Decile). For purposes of my analysis I use 12%, which is conservative. Note: The projections after 2022 do not include growth, therefore the discount rate would likely be less.

[E] Calculated using the mid-year convention to January 1, 2024, the approximate date of trial.

[F] = (1 + [H]) ^ - [I], rounded to 5 decimals.

[G] = Lost profits (undiscounted) per [C] * [F]

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Scenario 2 - Undiscounted Lost Profits: In-house Model (2 Year X/Xi Delay)

Updated Schedule 4.1

	2020	2021	2022	2023	2024	2025	Total	
da Vinci S/Si								
[A] Lost EndoWrist repair units	1,273	1,796	921	431	170	35	4,626	
<u>Per unit</u>								
[B] Average selling price	\$1,437	\$1,451	\$1,434	\$1,434	\$1,434	\$1,434	\$1,441	
<u>Incremental costs per unit</u>								
[C] Repair costs	\$148	\$155	\$156	\$156	\$156	\$156	\$153	
[D] Chip costs	\$533	\$533	\$533	\$533	\$533	\$533	\$533	
[E] Vizient admin fees - % of sales	4%	\$57	\$58	\$57	\$57	\$57	\$57	
[F] Additional SGA - % of sales	9%	\$129	\$131	\$129	\$129	\$129	\$130	
[G] Total incremental costs		\$867	\$877	\$875	\$875	\$875	\$874	
[H] Lost profits per unit		\$570	\$574	\$559	\$559	\$559	\$568	
[I] Lost revenues		\$1,829,301	\$2,605,996	\$1,320,714	\$618,054	\$243,780	\$50,190	\$6,668,035
<u>Incremental costs</u>								
[J] Repair costs	\$188,404	\$278,380	\$143,676	\$67,236	\$26,520	\$5,460	\$709,676	
[K] Chip costs	\$678,509	\$957,268	\$490,893	\$229,723	\$90,610	\$18,655	\$2,465,658	
[L] Vizient admin fees - 4% of sales		\$72,561	\$104,168	\$52,497	\$24,567	\$9,690	\$1,995	\$265,478
[M] Additional SGA - % of sales		\$164,217	\$235,276	\$118,809	\$55,599	\$21,930	\$4,515	\$600,346
[N] Total incremental costs		\$1,103,691	\$1,575,092	\$805,875	\$377,125	\$148,750	\$30,625	\$4,041,158
[O] Lost profits - undiscounted		\$725,610	\$1,030,904	\$514,839	\$240,929	\$95,030	\$19,565	\$2,626,877
da Vinci X/Xi								
[A] Lost EndoWrist repair units	0	0	8,779	33,862	40,179	14,008	96,828	
<u>Per unit</u>								
[B] Average selling price	\$1,414	\$1,425	\$1,432	\$1,432	\$1,432	\$1,432	\$1,432	
<u>Incremental costs per unit</u>								
[C] Repair costs	\$148	\$155	\$156	\$156	\$156	\$156	\$156	
[D] Chip costs	\$533	\$533	\$533	\$533	\$533	\$533	\$533	
[E] Vizient admin fees - % of sales	4%	\$57	\$57	\$57	\$57	\$57	\$57	
[F] Additional SGA - % of sales	9%	\$127	\$128	\$129	\$129	\$129	\$129	
[G] Total incremental costs		\$865	\$873	\$875	\$875	\$875	\$875	
[H] Lost profits per unit		\$549	\$552	\$557	\$557	\$557	\$557	
[I] Lost revenues		\$0	\$0	\$12,571,528	\$48,490,384	\$57,536,328	\$20,059,456	\$138,657,696
<u>Incremental costs</u>								
[J] Repair costs	\$0	\$0	\$1,369,524	\$5,282,472	\$6,267,924	\$2,185,248	\$15,105,168	
[K] Chip costs	\$0	\$0	\$4,679,207	\$18,048,446	\$21,415,407	\$7,466,264	\$51,609,324	
[L] Vizient admin fees - 4% of sales		\$0	\$0	\$500,403	\$1,930,134	\$2,290,203	\$798,456	\$5,519,196
[M] Additional SGA - % of sales		\$0	\$0	\$1,132,491	\$4,368,198	\$5,183,091	\$1,807,032	\$12,490,812
[N] Total incremental costs		\$0	\$0	\$7,681,625	\$29,629,250	\$35,156,625	\$12,257,000	\$84,724,500
[O] Lost profits - undiscounted		\$0	\$0	\$4,889,903	\$18,861,134	\$22,379,703	\$7,802,456	\$53,933,196

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Scenario 2 - Undiscounted Lost Profits: In-house Model (2 Year X/Xi Delay) Updated Schedule 4.1

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

- [A] Per Updated Schedule 4.2.
- [B] Per Schedule 8.0. For purposes of my analysis, the ASP after 2022 is the same as 2022.
- [C] Per Schedule 9.0. For purposes of my analysis, the cost per unit after 2022 is the same as 2022.
- [D] Per Schedule 10.0.
- [E] = [B] * 4%. Per SIS169233-169280 at 238-239, SIS would have paid Vizient a GPO administrative fee of 4% of net sales. Per SIS319315, SIS would have paid Yankee a 3% administrative fee. SIS would not have paid an administrative fee for non-Vizient and non-Yankee customers. For purposes of my analysis, I assume all sales would have been subject to a 4% administrative fee, consistent with the Vizient Agreement.
- [F] = [B] * 9% per Schedule 15.1.
- [G] = [C] + [D] + [E] + [F]
- [H] = [B] - [G]
- [I] = [A] * [B]
- [J] = [A] * [C]
- [K] = [A] * [D]
- [L] = [A] * [E]
- [M] = [A] * [F]
- [N] = [J] + [K] + [L] + [M]
- [O] = [I] - [N]

Scenario 2 - Lost EndoWrist Repair Units (2 Year X/Xi Delay)

Updated Schedule 4.2

	2020	2021	2022	2023	2024	2025	Total
<u>EndoWrist instruments potentially repairable by SIS - units</u>							
[A] da Vinci S/Si	52,970	22,411	8,214	3,839	1,928	1,077	90,439
[A] da Vinci X/Xi	0	0	365,304	422,719	455,982	437,186	1,681,191
[A] Total	52,970	22,411	373,518	426,558	457,910	438,263	1,771,630
[B] Expiration rate of new sales units	60%	60%	60%	60%	60%	60%	60%
<u>Expired EndoWrist instrument - units</u>							
[C] da Vinci S/Si	31,782	13,447	4,928	2,303	1,157	646	54,263
[C] da Vinci X/Xi	0	0	219,182	253,631	273,589	262,312	1,008,714
[C] Total	31,782	13,447	224,110	255,934	274,746	262,958	1,062,977
[D] SIS market share rate	55%	55%	55%	55%	55%	55%	55%
<u>SIS market share units</u>							
[E] da Vinci S/Si	17,480	7,396	2,710	1,267	636	355	29,844
[E] da Vinci X/Xi	0	0	120,550	139,497	150,474	144,272	554,793
[E] Total	17,480	7,396	123,260	140,764	151,110	144,627	584,637
<u>SIS conversion factor</u>							
[F] da Vinci S/Si	15%	50%	70%	70%	70%	70%	70%
[F] da Vinci X/Xi			15%	50%	70%	70%	70%
<u>SIS converted units</u>							
[G] da Vinci S/Si	2,622	3,698	1,897	887	445	249	9,798
[G] da Vinci X/Xi	0	0	18,083	69,749	105,332	100,990	294,154
[G] Total	2,622	3,698	19,980	70,636	105,777	101,239	303,952
[H] Collection rate of SIS market share units	70%	70%	70%	70%	70%	70%	70%
<u>SIS collected units</u>							
[I] da Vinci S/Si	1,835	2,589	1,328	621	312	174	6,859
[I] da Vinci X/Xi	0	0	12,658	48,824	73,732	70,693	205,907
[I] Total	1,835	2,589	13,986	49,445	74,044	70,867	212,766
[J] Repair yield of SIS would-have-been units	69.35%	69.35%	69.35%	69.35%	69.35%	69.35%	69.35%
<u>Would-have-been Lost EndoWrist repair units</u>							
[K] da Vinci S/Si	1,273	1,796	921	431	216	121	4,758
[K] da Vinci X/Xi	0	0	8,779	33,862	51,137	49,029	142,807
[K] Total	1,273	1,796	9,700	34,293	51,353	49,150	147,565
[L] Market penetration (% of total units)	2%	8%	3%	8%	11%	11%	8%

Scenario 2 - Lost EndoWrist Repair Units (2 Year X/Xi Delay) Updated Schedule 4.2

	2020	2021	2022	2023	2024	2025	Total
Actual conversion rate							
[M] da Vinci S/Si					15%	50%	
[M] da Vinci X/Xi					15%	50%	
Actual EndoWrist repair units							
[N] da Vinci S/Si				46	86	132	
[N] da Vinci X/Xi				10,958	35,021	45,979	
[N] Total				11,004	35,107	46,111	
Lost EndoWrist repair units							
[O] da Vinci S/Si	1,273	1,796	921	431	170	35	4,626
[O] da Vinci X/Xi	0	0	8,779	33,862	40,179	14,008	96,828
[O] Total	1,273	1,796	9,700	34,293	40,349	14,043	101,454

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

[A] Per Schedule 6.0. Note: Per Parker Dep. 143-144 (October 25, 2022), in a but for world (a world without Intuitive's anticompetitive behaviors), Restore would have begun repairing X/Xi EndoWrists by January 2022. For purposes of my analysis, I assume X/Xi EndoWrist repairs start on January 1, 2022.

[B] Per Schedule 7.0.

[C] = [A] * [B]

[D] Per <https://web.archive.org/web/20191108191050/https://www.vizientinc.com/what-we-do> as of November 8, 2019, "50% of the nation's acute care providers are Vizient members." Per <https://www.vizientinc.com/> as of November 29, 2022, Vizient has ">60% of acute care hospitals in the U.S." For purposes of my analysis, I use 55%. See discussion in my report.

[E] = [C] * [D]

[F] Per discussion with Jean Sargent, I understand the conversion rate would have been at 30% at the end of year 1, 70% at the end of year 2 and 70% thereafter, recognizing SIS would not have gotten all hospitals. For purposes of my analysis, I use an average of 15% in year 1, 50% in year 2 and 70% thereafter. Also, per discussions with Greg Posdal and Keith Johnson, I understand SIS believed its ramp up period would have been one year.

[G] = [E] * [F]

[H] Per Morales 30(b)(6) Dep. Ex. 143 (Intuitive-00626597-626616 at 604), where Intuitive targets a collection rate of 70%. See also, Intuitive-00620200 where Intuitive assumes a collection rate of 70%. See also, Morales 30(b)(6)Dep. Ex. 141 (at pdf page 1), where Intuitive targets a collection rate of 80%. Per discussion with Jean Sargent, I understand for an expensive instrument such as an EndoWrist, a 75% collection rate would be reasonable.

[I] = [G] * [H]

[J] Deposition of Clifton Parker 43-45, 178-179 (October 25, 2022). Per Restore-00094918-00094956 at 922 (Parker Dep. Ex. 121), 215 out of 310 instruments (approximately 69.35%) collected in a 2-week sample that had lives on them passed Restore's inspection (i.e., were repairable). Note: Per Morales 30(b)(6) Dep. Ex. 143 (Intuitive-00626597-626616 at 609), where Intuitive realized a yield of 85%. See also, Morales 30(b)(6) Dep. Ex. 143 (Intuitive-00626597-626616 at 612), where Intuitive targeted a yield of 85% to 95%. Schedule 14.0 shows the repair yield of SIS collectable units was approximately 88%. For purposes of my analysis, I use approximately 69.35%.

[K] = [I] * [J]

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Scenario 2 - Lost EndoWrist Repair Units (2 Year X/Xi Delay) Updated Schedule 4.2

2020	2021	2022	2023	2024	2025	Total
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[L] = [K] / [A]

[M] Assuming trial is resolved in or about January 1, 2024, SIS would then begin ramping up. For the Actual EndoWrist repair units, I use the Year 1, Year 2 and Year 3 market conversion rates addressed at [F] above. Currently, I assume Year 1 is 2024 and the first year SIS will begin selling its repair program again. Per May Dep. 60 (November 3, 2022), Restore will have the technical capability to change the usage limitations of the EndoWrist X/Xi's in the third or fourth quarter of 2023. For purposes of this analysis, I assume the conversion rate for the S/Si and X/Xi would be the same starting January 1, 2024.

[N] = [E] * [H] * [J] * [M]

[O] = [K] - [N]

Scenario 2 - Discounted Lost Profits: In-house Model (1 Year X/Xi Delay)

Updated Schedule 4.3

	2020	2021	2022	2023	2024	2025	Total
<u>Lost EndoWrist repair units</u>							
[A] da Vinci S/Si	1,273	1,796	921	431	170	35	4,626
[B] da Vinci X/Xi	0	8,329	29,263	47,407	40,179	14,008	139,186
[C] Total	1,273	10,125	30,184	47,838	40,349	14,043	143,812
<u>Lost revenues</u>							
[A] da Vinci S/Si	\$1,829,301	\$2,605,996	\$1,320,714	\$618,054	\$243,780	\$50,190	\$6,668,035
[B] da Vinci X/Xi	\$0	\$11,868,825	\$41,904,616	\$67,886,824	\$57,536,328	\$20,059,456	\$199,256,049
[C] Total	\$1,829,301	\$14,474,821	\$43,225,330	\$68,504,878	\$57,780,108	\$20,109,646	\$205,924,084
<u>Incremental costs</u>							
[A] da Vinci S/Si	\$1,103,691	\$1,575,092	\$805,875	\$377,125	\$148,750	\$30,625	\$4,041,158
[B] da Vinci X/Xi	\$0	\$7,271,217	\$25,605,125	\$41,481,125	\$35,156,625	\$12,257,000	\$121,771,092
[C] Total	\$1,103,691	\$8,846,309	\$26,411,000	\$41,858,250	\$35,305,375	\$12,287,625	\$125,812,250
<u>Lost profits (undiscounted)</u>							
[A] da Vinci S/Si	\$725,610	\$1,030,904	\$514,839	\$240,929	\$95,030	\$19,565	\$2,626,877
[B] da Vinci X/Xi	\$0	\$4,597,608	\$16,299,491	\$26,405,699	\$22,379,703	\$7,802,456	\$77,484,957
[C] Total	\$725,610	\$5,628,512	\$16,814,330	\$26,646,628	\$22,474,733	\$7,822,021	\$80,111,834
[D] Discount %					12%	12%	
[E] Discount period					0.5	1.5	
[F] Discount factor	1.00000	1.00000	1.00000	1.00000	0.94491	0.84367	
[G] Discounted lost profits	\$725,610	\$5,628,512	\$16,814,330	\$26,646,628	\$21,236,600	\$6,599,204	\$77,650,884

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

[A] Per Updated Schedule 4.4.

[B] Per Updated Schedule 4.4.

[C] = [A] + [B]

[D] For the GICS 35101010, Health Care Equipment & Supplies, Duff and Phelps - Cost of Capital Composite, September 30, 2022, the average WACC (weighted average cost of capital) is 9.2% and median WACC is 8.9%. For the small composite, the WACC is 11.1% to 11.2% (CRSP Decile). For purposes of my analysis I use 12%, which is conservative. Note: The projections after 2022 do not include growth, therefore the discount rate would likely be less.

[E] Calculated using the mid-year convention to January 1, 2024, the approximate date of trial.

[F] = (1 + [H]) ^ - [I], rounded to 5 decimals.

[G] = Lost profits (undiscounted) per [C] * [F]

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Scenario 2 - Undiscounted Lost Profits: In-house Model (1 Year X/Xi Delay) Updated Schedule 4.4

	2020	2021	2022	2023	2024	2025	Total	
da Vinci S/Si								
[A] Lost EndoWrist repair units	1,273	1,796	921	431	170	35	4,626	
<u>Per unit</u>								
[B] Average selling price	\$1,437	\$1,451	\$1,434	\$1,434	\$1,434	\$1,434	\$1,441	
<u>Incremental costs per unit</u>								
[C] Repair costs	\$148	\$155	\$156	\$156	\$156	\$156	\$153	
[D] Chip costs	\$533	\$533	\$533	\$533	\$533	\$533	\$533	
[E] Vizient admin fees - % of sales	4%	\$57	\$58	\$57	\$57	\$57	\$57	
[F] Additional SGA - % of sales	9%	\$129	\$131	\$129	\$129	\$129	\$130	
[G] Total incremental costs		\$867	\$877	\$875	\$875	\$875	\$874	
[H] Lost profits per unit		\$570	\$574	\$559	\$559	\$559	\$568	
[I] Lost revenues		\$1,829,301	\$2,605,996	\$1,320,714	\$618,054	\$243,780	\$50,190	\$6,668,035
<u>Incremental costs</u>								
[J] Repair costs	\$188,404	\$278,380	\$143,676	\$67,236	\$26,520	\$5,460	\$709,676	
[K] Chip costs	\$678,509	\$957,268	\$490,893	\$229,723	\$90,610	\$18,655	\$2,465,658	
[L] Vizient admin fees - 4% of sales		\$72,561	\$104,168	\$52,497	\$24,567	\$9,690	\$1,995	\$265,478
[M] Additional SGA - % of sales		\$164,217	\$235,276	\$118,809	\$55,599	\$21,930	\$4,515	\$600,346
[N] Total incremental costs		\$1,103,691	\$1,575,092	\$805,875	\$377,125	\$148,750	\$30,625	\$4,041,158
[O] Lost profits - undiscounted		\$725,610	\$1,030,904	\$514,839	\$240,929	\$95,030	\$19,565	\$2,626,877
da Vinci X/Xi								
[A] Lost EndoWrist repair units	0	8,329	29,263	47,407	40,179	14,008	139,186	
<u>Per unit</u>								
[B] Average selling price	\$1,414	\$1,425	\$1,432	\$1,432	\$1,432	\$1,432	\$1,432	
<u>Incremental costs per unit</u>								
[C] Repair costs	\$148	\$155	\$156	\$156	\$156	\$156	\$156	
[D] Chip costs	\$533	\$533	\$533	\$533	\$533	\$533	\$533	
[E] Vizient admin fees - % of sales	4%	\$57	\$57	\$57	\$57	\$57	\$57	
[F] Additional SGA - % of sales	9%	\$127	\$128	\$129	\$129	\$129	\$129	
[G] Total incremental costs		\$865	\$873	\$875	\$875	\$875	\$875	
[H] Lost profits per unit		\$549	\$552	\$557	\$557	\$557	\$557	
[I] Lost revenues		\$0	\$11,868,825	\$41,904,616	\$67,886,824	\$57,536,328	\$20,059,456	\$199,256,049
<u>Incremental costs</u>								
[J] Repair costs	\$0	\$1,290,995	\$4,565,028	\$7,395,492	\$6,267,924	\$2,185,248	\$21,704,687	
[K] Chip costs	\$0	\$4,439,357	\$15,597,179	\$25,267,931	\$21,415,407	\$7,466,264	\$74,186,138	
[L] Vizient admin fees - 4% of sales		\$0	\$474,753	\$1,667,991	\$2,702,199	\$2,290,203	\$798,456	\$7,933,602
[M] Additional SGA - % of sales		\$0	\$1,066,112	\$3,774,927	\$6,115,503	\$5,183,091	\$1,807,032	\$17,946,665
[N] Total incremental costs		\$0	\$7,271,217	\$25,605,125	\$41,481,125	\$35,156,625	\$12,257,000	\$121,771,092
[O] Lost profits - undiscounted		\$0	\$4,597,608	\$16,299,491	\$26,405,699	\$22,379,703	\$7,802,456	\$77,484,957

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Scenario 2 - Undiscounted Lost Profits: In-house Model (1 Year X/Xi Delay) Updated Schedule 4.4

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

[A] Per Updated Schedule 4.5.

[B] Per Schedule 8.0. For purposes of my analysis, the ASP after 2022 is the same as 2022.

[C] Per Schedule 9.0. For purposes of my analysis, the cost per unit after 2022 is the same as 2022.

[D] Per Schedule 10.0.

[E] = [B] * 4%. Per SIS169233-169280 at 238-239, SIS would have paid Vizient a GPO administrative fee of 4% of net sales. Per SIS319315, SIS would have paid Yankee a 3% administrative fee. SIS would not have paid an administrative fee for non-Vizient and non-Yankee customers. For purposes of my analysis, I assume all sales would have been subject to a 4% administrative fee, consistent with the Vizient Agreement.

[F] = [B] * 9% per Schedule 15.1.

[G] = [C] + [D] + [E] + [F]

[H] = [B] - [G]

[I] = [A] * [B]

[J] = [A] * [C]

[K] = [A] * [D]

[L] = [A] * [E]

[M] = [A] * [F]

[N] = [J] + [K] + [L] + [M]

[O] = [I] - [N]

Scenario 2 - Lost EndoWrist Repair Units (1 Year X/Xi Delay)

Updated Schedule 4.5

	2020	2021	2022	2023	2024	2025	Total
<u>EndoWrist instruments potentially repairable by SIS - units</u>							
[A] da Vinci S/Si	52,970	22,411	8,214	3,839	1,928	1,077	90,439
[A] da Vinci X/Xi	0	346,579	365,304	422,719	455,982	437,186	2,027,770
[A] Total	52,970	368,990	373,518	426,558	457,910	438,263	2,118,209
[B] Expiration rate of new sales units	60%	60%	60%	60%	60%	60%	60%
<u>Expired EndoWrist instrument - units</u>							
[C] da Vinci S/Si	31,782	13,447	4,928	2,303	1,157	646	54,263
[C] da Vinci X/Xi	0	207,947	219,182	253,631	273,589	262,312	1,216,661
[C] Total	31,782	221,394	224,110	255,934	274,746	262,958	1,270,924
[D] SIS market share rate	55%	55%	55%	55%	55%	55%	55%
<u>SIS market share units</u>							
[E] da Vinci S/Si	17,480	7,396	2,710	1,267	636	355	29,844
[E] da Vinci X/Xi	0	114,371	120,550	139,497	150,474	144,272	669,164
[E] Total	17,480	121,767	123,260	140,764	151,110	144,627	699,008
<u>SIS conversion factor</u>							
[F] da Vinci S/Si	15%	50%	70%	70%	70%	70%	70%
[F] da Vinci X/Xi		15%	50%	70%	70%	70%	70%
<u>SIS converted units</u>							
[G] da Vinci S/Si	2,622	3,698	1,897	887	445	249	9,798
[G] da Vinci X/Xi	0	17,156	60,275	97,648	105,332	100,990	381,401
[G] Total	2,622	20,854	62,172	98,535	105,777	101,239	391,199
[H] Collection rate of SIS market share units	70%	70%	70%	70%	70%	70%	70%
<u>SIS collected units</u>							
[I] da Vinci S/Si	1,835	2,589	1,328	621	312	174	6,859
[I] da Vinci X/Xi	0	12,009	42,193	68,354	73,732	70,693	266,981
[I] Total	1,835	14,598	43,521	68,975	74,044	70,867	273,840
[J] Repair yield of SIS would-have-been units	69.35%	69.35%	69.35%	69.35%	69.35%	69.35%	69.35%
<u>Would-have-been Lost EndoWrist repair units</u>							
[K] da Vinci S/Si	1,273	1,796	921	431	216	121	4,758
[K] da Vinci X/Xi	0	8,329	29,263	47,407	51,137	49,029	185,165
[K] Total	1,273	10,125	30,184	47,838	51,353	49,150	189,923
[L] Market penetration (% of total units)	2%	3%	8%	11%	11%	11%	9%

Scenario 2 - Lost EndoWrist Repair Units (1 Year X/Xi Delay)

Updated Schedule 4.5

	2020	2021	2022	2023	2024	2025	Total
Actual conversion rate							
[M] da Vinci S/Si					15%	50%	
[M] da Vinci X/Xi					15%	50%	
Actual EndoWrist repair units							
[N] da Vinci S/Si				46	86	132	
[N] da Vinci X/Xi				10,958	35,021	45,979	
[N] Total				11,004	35,107	46,111	
Lost EndoWrist repair units							
[O] da Vinci S/Si	1,273	1,796	921	431	170	35	4,626
[O] da Vinci X/Xi	0	8,329	29,263	47,407	40,179	14,008	139,186
[O] Total	1,273	10,125	30,184	47,838	40,349	14,043	143,812

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

[A] Per Schedule 6.0. Note: Marcus Engineering proposed a statement of work to Restore in late June 2019 for circumventing the X/Xi encryption and resetting the X/Xi EndoWrist use counter. I understand Marcus Engineering's efforts "have been successful in many of the aspects" of "reverse engineering on the Xi[.]" Based on progress as of November 2022, Restore anticipates that it will have the technical ability to reset the X/Xi EndoWrist use counter in "the third and fourth quarter, 2023." See May Dep. 40 and 60-61 (November 3, 2022) and May Dep. Exhibit 155. For purposes of my analysis, I assume X/Xi EndoWrist repairs start on January 1, 2021.

[B] Per Schedule 7.0.

[C] = [A] * [B]

[D] Per <https://web.archive.org/web/20191108191050/https://www.vizientinc.com/what-we-do> as of November 8, 2019, "50% of the nation's acute care providers are Vizient members." Per <https://www.vizientinc.com/> as of November 29, 2022, Vizient has ">60% of acute care hospitals in the U.S." For purposes of my analysis, I use 55%. See discussion in my report.

[E] = [C] * [D]

[F] Per discussion with Jean Sargent, I understand the conversion rate would have been at 30% at the end of year 1, 70% at the end of year 2 and 70% thereafter, recognizing SIS would not have gotten all hospitals. For purposes of my analysis, I use an average of 15% in year 1, 50% in year 2 and 70% thereafter. Also, per discussions with Greg Posdal and Keith Johnson. I understand SIS believed its ramp up period would have been one year.

[G] = [E] * [F]

[H] Per Morales 30(b)(6) Dep. Ex. 143 (Intuitive-00626597-626616 at 604), where Intuitive targets a collection rate of 70%. See also, Intuitive-00620200 where Intuitive assumes a collection rate of 70%. See also, Morales 30(b)(6)Dep. Ex. 141 (at pdf page 1), where Intuitive targets a collection rate of 80%. Per discussion with Jean Sargent, I understand for an expensive instrument such as an EndoWrist, a 75% collection rate would be reasonable.

[I] = [G] * [H]

[J] Deposition of Clifton Parker 43-45, 178-179 (October 25, 2022). Per Restore-00094918-00094956 at 922 (Parker Dep. Ex. 121), 215 out of 310 instruments (approximately 69.35%) collected in a 2-week sample that had lives on them passed Restore's inspection (i.e., were repairable). Note: Per Morales 30(b)(6) Dep. Ex. 143 (Intuitive-00626597-626616 at 609), where Intuitive realized a yield of 85%. See also, Morales 30(b)(6) Dep. Ex. 143 (Intuitive-00626597-626616 at 612), where Intuitive targeted a yield of 85% to 95%. Schedule 14.0 shows the repair yield of SIS collectable units was approximately 88%. For purposes of my analysis, I use approximately 69.35%.

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Scenario 2 - Lost EndoWrist Repair Units (1 Year X/Xi Delay)

Updated Schedule 4.5

2020	2021	2022	2023	2024	2025	Total
------	------	------	------	------	------	-------

[K] = [I] * [J]

[L] = [K] / [A]

[M] Assuming trial is resolved in or about January 1, 2024, SIS would then begin ramping up. For the Actual EndoWrist repair units, I use the Year 1, Year 2 and Year 3 market conversion rates addressed at [F] above. Currently, I assume Year 1 is 2024 and the first year SIS will begin selling its repair program again. Per May Dep. 60 (November 3, 2022), Restore will have the technical capability to change the usage limitations of the EndoWrist X/Xi's in the third or fourth quarter of 2023. For purposes of this analysis, I assume the conversion rate for the S/Si and X/Xi would be the same starting January 1, 2024.

[N] = [E] * [H] * [J] * [M]

[O] = [K] - [N]

Scenario 2 - Discounted Lost Profits: Distributor Model (2 Year X/Xi Delay) Updated Schedule 5.0

	2020	2021	2022	2023	2024	2025	Total
<u>Lost EndoWrist repair units</u>							
[A] da Vinci S/Si	1,273	1,796	921	431	170	35	4,626
[B] da Vinci X/Xi	0	0	8,779	33,862	40,179	14,008	96,828
[C] Total	1,273	1,796	9,700	34,293	40,349	14,043	101,454
<u>Lost revenues</u>							
[A] da Vinci S/Si	\$1,829,301	\$2,605,996	\$1,320,714	\$618,054	\$243,780	\$50,190	\$6,668,035
[B] da Vinci X/Xi	\$0	\$0	\$12,571,528	\$48,490,384	\$57,536,328	\$20,059,456	\$138,657,696
[C] Total	\$1,829,301	\$2,605,996	\$13,892,242	\$49,108,438	\$57,780,108	\$20,109,646	\$145,325,731
<u>Incremental costs</u>							
[A] da Vinci S/Si	\$1,564,517	\$2,234,224	\$1,128,225	\$527,975	\$208,250	\$42,875	\$5,706,066
[B] da Vinci X/Xi	\$0	\$0	\$10,771,833	\$41,548,674	\$49,299,633	\$17,187,816	\$118,807,956
[C] Total	\$1,564,517	\$2,234,224	\$11,900,058	\$42,076,649	\$49,507,883	\$17,230,691	\$124,514,022
<u>Lost profits (undiscounted)</u>							
[A] da Vinci S/Si	\$264,784	\$371,772	\$192,489	\$90,079	\$35,530	\$7,315	\$961,969
[B] da Vinci X/Xi	\$0	\$0	\$1,799,695	\$6,941,710	\$8,236,695	\$2,871,640	\$19,849,740
[C] Total	\$264,784	\$371,772	\$1,992,184	\$7,031,789	\$8,272,225	\$2,878,955	\$20,811,709
[D] Discount %					12%	12%	
[E] Discount period					0.5	1.5	
[F] Discount factor	1.00000	1.00000	1.00000	1.00000	0.94491	0.84367	
[G] Discounted lost profits	\$264,784	\$371,772	\$1,992,184	\$7,031,789	\$7,816,508	\$2,428,888	\$19,905,925

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

[A] Per Updated Schedule 5.1.

[B] Per Updated Schedule 5.1.

[C] = [A] + [B]

[D] For the GICS 35101010, Health Care Equipment & Supplies, Duff and Phelps - Cost of Capital Composite, September 30, 2022, the average SIC/GICS Composite WACC (weighted average cost of capital) is 9.2% and median WACC is 8.9%. For the small composite, the WACC is 11.1% to 11.2% (CRSP Decile). For purposes of my analysis I use 12%, which is conservative. Note: The projections after 2022 do not include growth, therefore the discount rate would likely be less.

[E] Calculated using the mid-year convention to January 1, 2024, the approximate date of trial.

[F] = (1 + [H]) ^ - [I], rounded to 5 decimals.

[G] = Lost profits (undiscounted) per [C] * [F]

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Scenario 2 - Undiscounted Lost Profits: Distributor Model (2 Year X/Xi Delay)

Updated Schedule 5.1

	2020	2021	2022	2023	2024	2025	Total	
da Vinci S/Si								
[A] Lost EndoWrist repair units		1,273	1,796	921	431	170	35	4,626
<u>Per unit</u>								
[B] Average selling price		\$1,437	\$1,451	\$1,434	\$1,434	\$1,434	\$1,441	
<u>Incremental costs per unit</u>								
[C] Repair costs (including chip costs)		\$1,043	\$1,055	\$1,039	\$1,039	\$1,039	\$1,039	\$1,046
[D] Vizient admin fees - % of sales	4%	\$57	\$58	\$57	\$57	\$57	\$57	\$57
[E] Additional SGA - % of sales	9%	\$129	\$131	\$129	\$129	\$129	\$129	\$130
[F] Total incremental costs		\$1,229	\$1,244	\$1,225	\$1,225	\$1,225	\$1,225	\$1,233
[G] Lost profits per unit		\$208	\$207	\$209	\$209	\$209	\$209	\$208
[H] Lost revenues		\$1,829,301	\$2,605,996	\$1,320,714	\$618,054	\$243,780	\$50,190	\$6,668,035
<u>Incremental costs</u>								
[I] Repair costs (including chip costs)		\$1,327,739	\$1,894,780	\$956,919	\$447,809	\$176,630	\$36,365	\$4,840,242
[J] Vizient admin fees - 4% of sales		\$72,561	\$104,168	\$52,497	\$24,567	\$9,690	\$1,995	\$265,478
[K] Additional SGA - % of sales		\$164,217	\$235,276	\$118,809	\$55,599	\$21,930	\$4,515	\$600,346
[L] Total incremental costs		\$1,564,517	\$2,234,224	\$1,128,225	\$527,975	\$208,250	\$42,875	\$5,706,066
[M] Lost profits - undiscounted		\$264,784	\$371,772	\$192,489	\$90,079	\$35,530	\$7,315	\$961,969
da Vinci X/Xi								
[A] Lost EndoWrist repair units		0	0	8,779	33,862	40,179	14,008	96,828
<u>Per unit</u>								
[B] Average selling price		\$1,414	\$1,425	\$1,432	\$1,432	\$1,432	\$1,432	
<u>Incremental costs per unit</u>								
[C] Repair costs (including chip costs)		\$1,023	\$1,034	\$1,041	\$1,041	\$1,041	\$1,041	\$1,041
[D] Vizient admin fees - % of sales	4%	\$57	\$57	\$57	\$57	\$57	\$57	\$57
[E] Additional SGA - % of sales	9%	\$127	\$128	\$129	\$129	\$129	\$129	\$129
[F] Total incremental costs		\$1,207	\$1,219	\$1,227	\$1,227	\$1,227	\$1,227	\$1,227
[G] Lost profits per unit		\$207	\$206	\$205	\$205	\$205	\$205	\$205
[H] Lost revenues		\$0	\$0	\$12,571,528	\$48,490,384	\$57,536,328	\$20,059,456	\$138,657,696
<u>Incremental costs</u>								
[I] Repair costs (including chip costs)		\$0	\$0	\$9,138,939	\$35,250,342	\$41,826,339	\$14,582,328	\$100,797,948
[J] Vizient admin fees - 4% of sales		\$0	\$0	\$500,403	\$1,930,134	\$2,290,203	\$798,456	\$5,519,196
[K] Additional SGA - % of sales		\$0	\$0	\$1,132,491	\$4,368,198	\$5,183,091	\$1,807,032	\$12,490,812
[L] Total incremental costs		\$0	\$0	\$10,771,833	\$41,548,674	\$49,299,633	\$17,187,816	\$118,807,956
[M] Lost profits - undiscounted		\$0	\$0	\$1,799,695	\$6,941,710	\$8,236,695	\$2,871,640	\$19,849,740

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Scenario 2 - Undiscounted Lost Profits: Distributor Model (2 Year X/Xi Delay) Updated Schedule 5.1

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

- [A] Per Updated Schedule 4.2.
- [B] Per Schedule 8.0. For purposes of my analysis, the ASP after 2022 is the same as 2022.
- [C] Per Schedule 11.0. For purposes of my analysis, the cost per unit after 2022 is the same as 2022.
- [D] = [B] * 4%. Per SIS169233-169280 at 238-239, SIS would have paid Vizient a GPO administrative fee of 4% of net sales. Per SIS319315, SIS would have paid Yankee a 3% administrative fee. SIS would not have paid an administrative fee for non-Vizient and non-Yankee customers. For purposes of my analysis, I assume all sales would have been subject to a 4% administrative fee, consistent with the Vizient Agreement.
- [E] = [B] * 9% per Schedule 15.1.
- [F] = [C] + [D] + [E]
- [G] = [B] - [F]
- [H] = [A] * [B]
- [I] = [A] * [C]
- [J] = [A] * [D]
- [K] = [A] * [E]
- [L] = [I] + [J] + [K]
- [M] = [H] - [L]

Scenario 2 - Discounted Lost Profits: Distributor Model (1 Year X/Xi Delay) Updated Schedule 5.2

	2020	2021	2022	2023	2024	2025	Total
<u>Lost EndoWrist repair units</u>							
[A] da Vinci S/Si	1,273	1,796	921	431	170	35	4,626
[B] da Vinci X/Xi	0	8,329	29,263	47,407	40,179	14,008	139,186
[C] Total	1,273	10,125	30,184	47,838	40,349	14,043	143,812
<u>Lost revenues</u>							
[A] da Vinci S/Si	\$1,829,301	\$2,605,996	\$1,320,714	\$618,054	\$243,780	\$50,190	\$6,668,035
[B] da Vinci X/Xi	\$0	\$11,868,825	\$41,904,616	\$67,886,824	\$57,536,328	\$20,059,456	\$199,256,049
[C] Total	\$1,829,301	\$14,474,821	\$43,225,330	\$68,504,878	\$57,780,108	\$20,109,646	\$205,924,084
<u>Incremental costs</u>							
[A] da Vinci S/Si	\$1,564,517	\$2,234,224	\$1,128,225	\$527,975	\$208,250	\$42,875	\$5,706,066
[B] da Vinci X/Xi	\$0	\$10,153,051	\$35,905,701	\$58,168,389	\$49,299,633	\$17,187,816	\$170,714,590
[C] Total	\$1,564,517	\$12,387,275	\$37,033,926	\$58,696,364	\$49,507,883	\$17,230,691	\$176,420,656
<u>Lost profits (undiscounted)</u>							
[A] da Vinci S/Si	\$264,784	\$371,772	\$192,489	\$90,079	\$35,530	\$7,315	\$961,969
[B] da Vinci X/Xi	\$0	\$1,715,774	\$5,998,915	\$9,718,435	\$8,236,695	\$2,871,640	\$28,541,459
[C] Total	\$264,784	\$2,087,546	\$6,191,404	\$9,808,514	\$8,272,225	\$2,878,955	\$29,503,428
[D] Discount %					12%	12%	
[E] Discount period					0.5	1.5	
[F] Discount factor	1.00000	1.00000	1.00000	1.00000	0.94491	0.84367	
[G] Discounted lost profits	\$264,784	\$2,087,546	\$6,191,404	\$9,808,514	\$7,816,508	\$2,428,888	\$28,597,644

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

[A] Per Updated Schedule 5.3.

[B] Per Updated Schedule 5.3.

[C] = [A] + [B]

[D] For the GICS 35101010, Health Care Equipment & Supplies, Duff and Phelps - Cost of Capital Composite, September 30, 2022, the average WACC (weighted average cost of capital) is 9.2% and median WACC is 8.9%. For the small composite, the WACC is 11.1% to 11.2% (CRSP Decile). For purposes of my analysis I use 12%, which is conservative. Note: The projections after 2022 do not include growth, therefore the discount rate would likely be less.

[E] Calculated using the mid-year convention to January 1, 2024, the approximate date of trial.

[F] = (1 + [H]) ^ - [I], rounded to 5 decimals.

[G] = Lost profits (undiscounted) per [C] * [F]

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Scenario 2 - Undiscounted Lost Profits: Distributor Model (1 Year X/Xi Delay) Updated Schedule 5.3

	2020	2021	2022	2023	2024	2025	Total	
da Vinci S/Si								
[A] Lost EndoWrist repair units		1,273	1,796	921	431	170	35	4,626
<u>Per unit</u>								
[B] Average selling price		\$1,437	\$1,451	\$1,434	\$1,434	\$1,434	\$1,441	
<u>Incremental costs per unit</u>								
[C] Repair costs (including chip costs)		\$1,043	\$1,055	\$1,039	\$1,039	\$1,039	\$1,039	\$1,046
[D] Vizient admin fees - % of sales	4%	\$57	\$58	\$57	\$57	\$57	\$57	\$57
[E] Additional SGA - % of sales	9%	\$129	\$131	\$129	\$129	\$129	\$129	\$130
[F] Total incremental costs		\$1,229	\$1,244	\$1,225	\$1,225	\$1,225	\$1,225	\$1,233
[G] Lost profits per unit		\$208	\$207	\$209	\$209	\$209	\$209	\$208
[H] Lost revenues		\$1,829,301	\$2,605,996	\$1,320,714	\$618,054	\$243,780	\$50,190	\$6,668,035
<u>Incremental costs</u>								
[I] Repair costs (including chip costs)		\$1,327,739	\$1,894,780	\$956,919	\$447,809	\$176,630	\$36,365	\$4,840,242
[J] Vizient admin fees - 4% of sales		\$72,561	\$104,168	\$52,497	\$24,567	\$9,690	\$1,995	\$265,478
[K] Additional SGA - % of sales		\$164,217	\$235,276	\$118,809	\$55,599	\$21,930	\$4,515	\$600,346
[L] Total incremental costs		\$1,564,517	\$2,234,224	\$1,128,225	\$527,975	\$208,250	\$42,875	\$5,706,066
[M] Lost profits - undiscounted		\$264,784	\$371,772	\$192,489	\$90,079	\$35,530	\$7,315	\$961,969
da Vinci X/Xi								
[A] Lost EndoWrist repair units		0	8,329	29,263	47,407	40,179	14,008	139,186
<u>Per unit</u>								
[B] Average selling price		\$1,414	\$1,425	\$1,432	\$1,432	\$1,432	\$1,432	
<u>Incremental costs per unit</u>								
[C] Repair costs (including chip costs)		\$1,023	\$1,034	\$1,041	\$1,041	\$1,041	\$1,041	\$1,041
[D] Vizient admin fees - % of sales	4%	\$57	\$57	\$57	\$57	\$57	\$57	\$57
[E] Additional SGA - % of sales	9%	\$127	\$128	\$129	\$129	\$129	\$129	\$129
[F] Total incremental costs		\$1,207	\$1,219	\$1,227	\$1,227	\$1,227	\$1,227	\$1,227
[G] Lost profits per unit		\$207	\$206	\$205	\$205	\$205	\$205	\$205
[H] Lost revenues		\$0	\$11,868,825	\$41,904,616	\$67,886,824	\$57,536,328	\$20,059,456	\$199,256,049
<u>Incremental costs</u>								
[I] Repair costs (including chip costs)		\$0	\$8,612,186	\$30,462,783	\$49,350,687	\$41,826,339	\$14,582,328	\$144,834,323
[J] Vizient admin fees - 4% of sales		\$0	\$474,753	\$1,667,991	\$2,702,199	\$2,290,203	\$798,456	\$7,933,602
[K] Additional SGA - % of sales		\$0	\$1,066,112	\$3,774,927	\$6,115,503	\$5,183,091	\$1,807,032	\$17,946,665
[L] Total incremental costs		\$0	\$10,153,051	\$35,905,701	\$58,168,389	\$49,299,633	\$17,187,816	\$170,714,590
[M] Lost profits - undiscounted		\$0	\$1,715,774	\$5,998,915	\$9,718,435	\$8,236,695	\$2,871,640	\$28,541,459

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Scenario 2 - Undiscounted Lost Profits: Distributor Model (1 Year X/Xi Delay) Updated Schedule 5.3

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

- [A] Per Updated Schedule 4.5.
- [B] Per Schedule 8.0. For purposes of my analysis, the ASP after 2022 is the same as 2022.
- [C] Per Schedule 11.0. For purposes of my analysis, the cost per unit after 2022 is the same as 2022.
- [D] = [B] * 4%. Per SIS169233-169280 at 238-239, SIS would have paid Vizient a GPO administrative fee of 4% of net sales. Per SIS319315, SIS would have paid Yankee a 3% administrative fee. SIS would not have paid an administrative fee for non-Vizient and non-Yankee customers. For purposes of my analysis, I assume all sales would have been subject to a 4% administrative fee, consistent with the Vizient Agreement.
- [E] = [B] * 9% per Schedule 15.1.
- [F] = [C] + [D] + [E]
- [G] = [B] - [F]
- [H] = [A] * [B]
- [I] = [A] * [C]
- [J] = [A] * [D]
- [K] = [A] * [E]
- [L] = [I] + [J] + [K]
- [M] = [H] - [L]

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Intuitive's U.S. EndoWrist Instrument Units - Actual and Forecasted: 2014 - 2025 Schedule 6.0

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2020-2021 decline
Actual EndoWrist instrument units													
[A] da Vinci S/Si													
[A] da Vinci X/Xi													
[A] da Vinci Xi 2.0/Xi R													
[A] Total													
% share of units by system													
[B] da Vinci S/Si	95.0%	81.4%	70.0%	57.2%	43.2%	28.2%	15.0%	6.1%	2.2%				
[B] da Vinci X/Xi		5.0%	18.6%	30.0%	42.8%	56.8%	71.8%	85.0%	93.9%	97.8%			
[B] da Vinci Xi 2.0/Xi R		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
[B] Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%			
Projected % of units by system													
[C] da Vinci S/Si								0.9%	0.4%	0.2%			
[C] da Vinci X/Xi								99.1%	94.6%	81.2%			
[C] da Vinci Xi 2.0/Xi R								0.0%	5.0%	18.6%			
[C] Total								100.0%	100.0%	100.0%			
[D] Expected growth in procedures													
Forecasted EndoWrist instrument units													
[E] da Vinci S/Si								3,839	1,928	1,077			
[E] da Vinci X/Xi								422,719	455,982	437,186			
[E] da Vinci Xi 2.0/Xi R								0	24,101	100,144			
[E] Total								426,558	482,011	538,406			
Actual & forecasted EndoWrist instrument units													
[F] da Vinci S/Si								3,839	1,928	1,077			
[F] da Vinci X/Xi								422,719	455,982	437,186			
[F] da Vinci Xi 2.0/Xi R								0	24,101	100,144			
[F] Total								426,558	482,011	538,406			
[F] Sub-total S/Si and X/Xi								426,558	457,910	438,263			

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Intuitive's U.S. EndoWrist Instrument Units - Actual and Forecasted: 2014 - 2025 Schedule 6.0

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

[A] Per Schedule 13.0. Note: Actual unit sales per Schedule 13.0 are through June 2022. 2022 unit sales shown herein are annualized.

[B] Calculated based on the amounts herein.

[C] Units sales of da Vinci S/Si are projected to decline in the future at the same rate that sales declined (57.7%) between 2020 and 2021.

I understand the next generation da Vinci system could be introduced as some time in 2024 (See Somayaji Dep. 128-130). For purposes of this analysis, I assume the start of 2024. The share of sales of instruments for that next-generation system (da Vinci Xi 2.0/Xi R) are projected using the same penetration rates experienced by da Vinci X/Xi when it was introduced in 2014 (i.e., 5.0% in first year, 18.6% in second year, and so on), which is conservative given the next generation system (da Vinci Xi 2.0/Xi R) will face more legacy da Vinci systems when it is introduced.

Unit sales of da Vinci X/Xi is projected as 100% less the projected shares of da Vinci X/Xi and the next generation system.

[D] Per Intuitive forecasted annual growth rates for da Vinci surgical procedures in the United States. See Intuitive-01261766.

[E] Total forecast instrument sales calculated each year by applying growth rate [D] to total sales during prior year. Sales are allocated by system using shares from [C].

[F] Calculated based on the amounts herein.

Estimated EndoWrist Expiration Rates: 2018 - 2021

Schedule 7.0

[1]

	2018	2019	2020	2021	Total	Sub-total 2018 - 2019
[A] Projected X/Xi annual expired EndoWrist units (for "Top 5" instruments)	73,129	100,376	129,298	157,537	460,340	173,505
Actual EndoWrist sales units for "Top 5" X/Xi instruments						
[B] 470006 / 471006 (Large Needle Driver)	22,103	29,534	31,548	30,447	113,632	51,637
[B] 470179 (Hot Shears (Monopolar Curved Scissors))	40,602	56,056	66,281	92,091	255,030	96,658
[B] 470205 / 471205 (Fenestrated Bipolar Forceps)	27,400	37,186	41,596	43,976	150,158	64,586
[B] 470093 / 471093 (ProGrap Forceps)	20,431	29,629	33,746	30,716	114,522	50,060
[B] 470172 / 471172 (Maryland Bipolar Forceps)	10,904	14,261	15,467	16,649	57,281	25,165
[B] Actual EndoWrist sales units for "Top 5" X/Xi instruments	121,440	166,666	188,638	213,879	690,623	288,106
[C] Expiration rate of total sales units	60%	60%	69%	74%	67%	60%

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

[1] Calculated based on the amounts herein

[A] Per Morales 30(b)(6) Dep. Ex. 141 (at pdf page 1). As shown on Exhibit 141 (at pdf page 1), for 2018, these "Top 5" X/Xi SKUs represented 73,129 instruments of the 104,469 expired "core" X/Xi instruments, or approximately 70%.

[B] Per Schedule 9.1. Instrument numbers and descriptions identified per Morales 30(b)(6) Dep. Ex. 141 (at pdf page 3).

[C] Calculated based on the amounts herein.

Potential EndoWrist Instrument Units, Net Sales Dollars and Average Selling Price by System (Using Intuitive Sales Volumes and September 2019 Vizient Amended Agreement Prices): 2018 - June 2022

Schedule 8.0

	2018	2019	2020	2021	2022 thru June	Total	%
Units							
[A] da Vinci S/Si							
[B] da Vinci X/Xi							
[C] Total							
Net sales dollars							
[A] da Vinci S/Si							
[B] da Vinci X/Xi							
[C] Total							
ASP per unit							
[D] da Vinci S/Si	\$1,431	\$1,432	\$1,437	\$1,451	\$1,434	\$1,434	
[D] da Vinci X/Xi	\$1,418	\$1,411	\$1,414	\$1,425	\$1,432	\$1,420	
[D] Total	\$1,424	\$1,417	\$1,418	\$1,427	\$1,432	\$1,423	

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

[A] Per Schedule 8.1.

[B] Per Schedule 8.2.

[C] = [A] + [B]

[D] Calculated based on the amounts herein.

Potential EndoWrist Instrument Units, Net Sales Dollars and ASP by Product (Instrument Number) - da Vinci S/Si (Using Intuitive Sales Volumes and September 2019 Vizient Amended Agreement Prices): 2018 - June 2022

Schedule 8.1

Potential EndoWrist Instrument Units, Net Sales Dollars and ASP by Product (Instrument Number) - da Vinci S/Si (Using Intuitive Sales Volumes and September 2019 Vizient Amended Agreement Prices): 2018 - June 2022

Schedule 8.1

Potential EndoWrist Instrument Units, Net Sales Dollars and ASP by Product (Instrument Number) - da Vinci S/Si (Using Intuitive Sales Volumes and September 2019 Vizient Amended Agreement Prices): 2018 - June 2022

Schedule 8.1

	2018	2019	2020	2021	2022	Total	%
						thru June	
ASP							
[B] 420179	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	
[B] 420006	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	
[B] 420093	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	
[B] 420205	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	
[B] 420309	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	
[B] 420194	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	
[B] 420172	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	
[B] 420049	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	
[B] 420227	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	
[B] 420183	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	
[B] 420296	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	
[B] 420230	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	
[B] 420184	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	
[B] 420327	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	
[B] 420207	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	
[B] 420190	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	
[B] 420189	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	
[B] 420110	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	
[B] 420048	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	
[B] 420318	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	
[B] 420003	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	
[B] 420001	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	
[B] 420007	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	
[B] 420278	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	
[B] 420344	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	
[B] 420033	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	

Potential EndoWrist Instrument Units, Net Sales Dollars and ASP by Product (Instrument Number) - da Vinci S/Si (Using Intuitive Sales Volumes and September 2019 Vizient Amended Agreement Prices): 2018 - June 2022

Schedule 8.1

	2018	2019	2020	2021	2022	Total	%
					thru June		
[B] 420036	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	
[B] 420178	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	
[B] 420171	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	
[B] 420246	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	
[B] 420249	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	
[B] 420181	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	
[B] 420157	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	
[B] 420204	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	
[B] 420121	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	
[B] 420215	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	
[B] 420203	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	
[B] 420192	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	

Potential EndoWrist Instrument Units, Net Sales Dollars and ASP by Product (Instrument Number) - da Vinci S/Si (Using Intuitive Sales Volumes and September 2019 Vizient Amended Agreement Prices): 2018 - June 2022

Schedule 8.1

**Potential EndoWrist Instrument Units, Net Sales Dollars and
ASP by Product (Instrument Number) - da Vinci S/Si (Using
Intuitive Sales Volumes and September 2019 Vizient
Amended Agreement Prices): 2018 - June 2022**

Schedule 8.1

	2018	2019	2020	2021	2022	Total	%
					thru June		
[C]							
[C]							
[C]							
[C]							
[C]							
[C]							
[C]							
[C]							
[C]							
[C]							
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[C]							
[C]							
[C]							
[C]							
[C]							
[C]							
[C]							
[C] Total net sales dollars							

Potential EndoWrist Instrument Units, Net Sales Dollars and ASP by Product (Instrument Number) - da Vinci S/Si (Using Intuitive Sales Volumes and September 2019 Vizient Amended Agreement Prices): 2018 - June 2022

Schedule 8.1

2018	2019	2020	2021	2022	Total	%
				thru June		

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

[A] Schedule 13.1.

[B] Schedule 12.0.

[C] = [A] * [B]

Potential EndoWrist Instrument Units, Net Sales Dollars and ASP by Product (Instrument Number) - da Vinci X/Xi (Using Intuitive Sales Volumes and September 2019 Vizient Amended Agreement Prices): 2018 - June 2022

Schedule 8.2

Potential EndoWrist Instrument Units, Net Sales Dollars and ASP by Product (Instrument Number) - da Vinci X/Xi (Using Intuitive Sales Volumes and September 2019 Vizient Amended Agreement Prices): 2018 - June 2022

Schedule 8.2

	2018	2019	2020	2021	2022	Total	%
[A]							
[A]							
[A]							
[A]							
[A]							
[A]							
[A]							
[A]							
[A]							
[A]							
[A]							
[A]							
[A]							
[A]							
[A]							
[A] Total units							

Potential EndoWrist Instrument Units, Net Sales Dollars and ASP by Product (Instrument Number) - da Vinci X/Xi (Using Intuitive Sales Volumes and September 2019 Vizient Amended Agreement Prices): 2018 - June 2022

Schedule 8.2

	2018	2019	2020	2021	2022 thru June	Total	%
ASP							
[B] 470179	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	\$1,700	
[B] 470205	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	
[B] 471205	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	
[B] 470006	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	
[B] 470093	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	
[B] 470309	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	
[B] 471309	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	
[B] 470183	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	
[B] 471093	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	
[B] 471006	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	
[B] 470194	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	
[B] 470049	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	
[B] 470172	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	
[B] 471049	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	
[B] 471172	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	
[B] 470327	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	
[B] 470230	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	
[B] 470318	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	
[B] 470296	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	
[B] 471296	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	
[B] 470184	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	
[B] 470207	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	
[B] 470001	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	
[B] 470344	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	
[B] 470007	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	
[B] 470190	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	

Potential EndoWrist Instrument Units, Net Sales Dollars and ASP by Product (Instrument Number) - da Vinci X/Xi (Using Intuitive Sales Volumes and September 2019 Vizient Amended Agreement Prices): 2018 - June 2022

Schedule 8.2

	2018	2019	2020	2021	2022	Total	%
					thru June		
[B] 471190	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	
[B] 471344	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	
[B] 470048	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	
[B] 470036	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	
[B] 471048	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	
[B] 470033	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	
[B] 470249	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	
[B] 470171	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	
[B] 470246	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	
[B] 471171	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	
[B] 470215	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	
[B] 470181	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	

Potential EndoWrist Instrument Units, Net Sales Dollars and ASP by Product (Instrument Number) - da Vinci X/Xi (Using Intuitive Sales Volumes and September 2019 Vizient Amended Agreement Prices): 2018 - June 2022

Schedule 8.2

2018	2019	2020	2021	2022 thru June	Total	%
------	------	------	------	-------------------	-------	---

Net sales dollars

**Potential EndoWrist Instrument Units, Net Sales Dollars and
ASP by Product (Instrument Number) - da Vinci X/Xi (Using
Intuitive Sales Volumes and September 2019 Vizient Amended
Agreement Prices): 2018 - June 2022**

Schedule 8.2

2018	2019	2020	2021	2022 thru June	Total	%
[B] [B] [B] [B] [B] [B] [B] [B] [B] [B] [B] [B] [B] [B] Total net sales dollars						

Potential EndoWrist Instrument Units, Net Sales Dollars and ASP by Product (Instrument Number) - da Vinci X/Xi (Using Intuitive Sales Volumes and September 2019 Vizient Amended Agreement Prices): 2018 - June 2022

Schedule 8.2

2018	2019	2020	2021	2022	Total	%
thru June						

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

[A] Schedule 13.2.

[B] Schedule 12.1.

[C] = [A] * [B]

SIS's Estimated EndoWrist Instrument Repair Cost:

2020 - June 2022

Schedule 9.0

	2020	2021	2022	Total
			thru June	
Actual Intuitive instrument sales units for "Top 5" X/Xi instruments				
[A] 470006 / 471006 (Large Needle Driver)				
[A] 470179 (Hot Shears (Monopolar Curved Scissors))				
[A] 470205 / 471205 (Fenestrated Bipolar Forceps)				
[A] 470093 / 471093 (ProGrasp Forceps)				
[A] 470172 / 471172 (Maryland Bipolar Forceps)				
[B] Total	188,638	213,879	113,918	516,435
Intuitive COGS for refurbishment per unit (SIS's estimated repair cost per unit)				
[C] 470006 / 471006 (Large Needle Driver)				
[C] 470179 (Hot Shears (Monopolar Curved Scissors))				
[C] 470205 / 471205 (Fenestrated Bipolar Forceps)				
[C] 470093 / 471093 (ProGrasp Forceps)				
[C] 470172 / 471172 (Maryland Bipolar Forceps)				
Total Intuitive COGS for refurbishment per unit (SIS's estimated repair cost)	\$27,926,837	\$33,072,546	\$17,812,049	\$78,811,432
[F] SIS's estimated weighted average repair cost per instrument (rounded)	\$148.00	\$155.00	\$156.00	\$153.00

SIS's Estimated EndoWrist Instrument Repair Cost: 2020 - June 2022 Schedule 9.0

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

[A] Per Schedule 9.1.

[B] Sum of [A]

[C] Intuitive anticipated refurbishment costs are per Morales 30(b)(6) Dep. at Ex. 143 (Intuitive 00626597-626616 at 626612). For purposes of my analysis, I assume SIS's repair costs per unit would have approximated Intuitive anticipated refurbishment cost per unit. However, based on discussions with Greg Posdal, I understand SIS's material cost would generally fall below \$10 per unit, less than Intuitive's anticipated \$48 to \$141 per unit. Instrument numbers identified per comparison of Morales 30(b)(6) Dep. Ex. 141 (at pdf page 3) and Morales 30(b)(6) Dep. at Ex. 143 (Intuitive 00626597-626616 at 626612). For purposes of my analysis, I assume the Intuitive cost for the "replacement" instrument number is the same as the amount shown for the "original" instrument number.

[D] = [A] * [C]

[E] Sum of [D]

[F] = [E] / [B]

Intuitive's "Top 5" X/Xi EndoWrist Instrument Units: 2018 - June 2022 Schedule 9.1

2018	2019	2020	2021	2022	Total
				thru June	

[A]
[A]
[B]

[A]

[A]
[A]
[B]

[A]
[A]
[B]

[A]
[A]
[B]

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

[A] Per Schedule 13.2. Instrument numbers identified based on Instrument numbers identified per comparison of Morales 30(b)(6) Dep. Ex. 141 (at pdf page 3). For purposes of this analysis, I also include the "replacement" instrument number.

[B] Calculated based on the amounts herein.

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

SIS's Estimated Interceptor Chip Cost (Based on Rebotix's Sales to Restore)

Schedule 10.0

Date	Memo	Item	Quantity	Sale Price	Amount
[A] 5/15/2019	Interceptor assembly programmed with 10 Uses	Interceptor-010 (Interceptor assembly programmed with 10 Uses)	30	\$800	\$24,000
[A] 5/15/2019	New Customer Repair Credits	Discount			(\$10,400) (\$10,400)
[A] 9/4/2019	Interceptor assembly programmed with 10 Uses	Interceptor-010 (Interceptor assembly programmed with 10 Uses)	25	\$800	\$20,000
[A] 9/4/2019	Less Credit for providing 7 free units to new customers	Discount			(\$5,600) (\$5,600)
[A] 10/15/2019	Interceptor assembly programmed with 10 Uses	Interceptor-010 (Interceptor assembly programmed with 10 Uses)	5	\$800	\$4,000
[B] Total			60		\$32,000
[C] Average cost per Interceptor chip (rounded)					\$533.00

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

[A] Per REBOTIX175326. Calculation above is based on Rebotix's sales to Restore.

[B] Sum of [A]

[C] = Amount per [B] / Quantity per [B]

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

Rebotix Sales to SIS: June 27, 2019 - November 21, 2019

Schedule 10.1

Date	Num	Memo	Item	Quantity	Sale Price	Amount
[A] 6/27/2019	26674	Mega SutureCut Needle Driver EndoWrist Repair Service	420309-SVC (Mega SutureCut Needle Driver EndoWrist Repair Service)	1	\$900	\$900
[A] 6/27/2019	26674	New Customer Discount	Discount		(\$900)	(\$900)
[A] 7/17/2019	26680	Mega SutureCut Needle Driver EndoWrist Repair Service	420309-SVC (Mega SutureCut Needle Driver EndoWrist Repair Service)	1	\$900	\$900
[A] 8/8/2019	26696	Monopolar Curved Scissors EndoWrist Repair Service	420179-SVC (Monopolar Curved Scissors EndoWrist Repair Service)	1	\$1,300	\$1,300
[A] 8/8/2019	26696	Fenestrated Bipolar Forceps EndoWrist Repair Service	420205-SVC (Fenestrated Bipolar Forceps EndoWrist Repair Service)	1	\$1,200	\$1,200
[A] 8/8/2019	26696	ProGrasp Forceps EndoWrist Repair Service	420093-SVC (ProGrasp Forceps EndoWrist Repair Service)	1	\$900	\$900
[A] 8/8/2019	26696	Mega Needle Driver EndoWrist Repair Service	420194-SVC (Mega Needle Driver EndoWrist Repair Service)	1	\$900	\$900
[A] 8/8/2019	26696	Trial Wrists	Discount		(\$4,300)	(\$4,300)
[A] 9/9/2019	26702	Small Grasping Retractor EndoWrist Repair Service	420318-SVC (Small Grasping Retractor EndoWrist Repair Service)	1	\$900	\$900
[A] 9/9/2019	26702	Small Grasping Retractor EndoWrist Repair Service	420318-SVC (Small Grasping Retractor EndoWrist Repair Service)	1	\$900	\$900
[A] 9/9/2019	26702	Large Needle Driver EndoWrist Repair Service	420006-SVC (Large Needle Driver EndoWrist Repair Service)	1	\$900	\$900
[A] 9/9/2019	26702	Cadiere Forceps EndoWrist Repair Service	420049-SVC (Cadiere Forceps EndoWrist Repair Service)	1	\$750	\$750
[A] 9/9/2019	26702	ProGrasp Forceps EndoWrist Repair Service	420093-SVC (ProGrasp Forceps EndoWrist Repair Service)	1	\$900	\$900
[A] 9/9/2019	26702	Maryland Bipolar Forceps EndoWrist Repair Service	420172-SVC (Maryland Bipolar Forceps EndoWrist Repair Service)	0	\$1,200	\$0
[A] 9/9/2019	26702	Maryland Bipolar Forceps EndoWrist Repair Service	420172-SVC (Maryland Bipolar Forceps EndoWrist Repair Service)	0	\$1,200	\$0
[A] 9/9/2019	26702	Maryland Bipolar Forceps EndoWrist Repair Service	420172-SVC (Maryland Bipolar Forceps EndoWrist Repair Service)	0	\$1,200	\$0
[A] 10/8/2019	26738	Cadiere Forceps EndoWrist Repair Service	420049-SVC (Cadiere Forceps EndoWrist Repair Service)	0	\$750	\$0
[A] 10/8/2019	26738	Cadiere Forceps EndoWrist Repair Service	420049-SVC (Cadiere Forceps EndoWrist Repair Service)	1	\$750	\$750
[A] 10/8/2019	26738	ProGrasp Forceps EndoWrist Repair Service	420093-SVC (ProGrasp Forceps EndoWrist Repair Service)	1	\$900	\$900
[A] 10/18/2019	26746	Maryland Bipolar Forceps EndoWrist Repair Service	420172-SVC (Maryland Bipolar Forceps EndoWrist Repair Service)	1	\$1,200	\$1,200
[A] 10/18/2019	26746	Large SutureCut Needle Driver EndoWrist Repair Service	420296-SVC (Large SutureCut Needle Driver EndoWrist Repair Service)	1	\$900	\$900
[A] 10/18/2019	26746	Mega Needle Driver EndoWrist Repair Service	420194-SVC (Mega Needle Driver EndoWrist Repair Service)	1	\$900	\$900
[A] 10/18/2019	26746	Mega Needle Driver EndoWrist Repair Service	420194-SVC (Mega Needle Driver EndoWrist Repair Service)	1	\$900	\$900
[A] 10/18/2019	26746	DeBakey Forceps EndoWrist Repair Service	420036-SVC (DeBakey Forceps EndoWrist Repair Service)	1	\$750	\$750
[A] 10/25/2019	26748	Large Needle Driver EndoWrist Repair Service	420006-SVC (Large Needle Driver EndoWrist Repair Service)	0	\$900	\$0
[A] 10/25/2019	26748	Used EndoWrist Instrument	EndoWrist (Used EndoWrist Instrument)	1	\$100	\$100
[A] 10/25/2019	26748	Large Needle Driver EndoWrist Repair Service	420006-SVC (Large Needle Driver EndoWrist Repair Service)	1	\$900	\$900
[A] 10/25/2019	26748	Estimate 26748:	Discount		(\$100)	(\$100)
[A] 10/25/2019	26749	Fenestrated Bipolar Forceps EndoWrist Repair Service	420205-SVC (Fenestrated Bipolar Forceps EndoWrist Repair Service)	0	\$1,200	\$0
[A] 10/25/2019	26749	Used EndoWrist Instrument	EndoWrist (Used EndoWrist Instrument)	1	\$100	\$100
[A] 10/25/2019	26749	Fenestrated Bipolar Forceps EndoWrist Repair Service	420205-SVC (Fenestrated Bipolar Forceps EndoWrist Repair Service)	1	\$1,200	\$1,200
[A] 10/25/2019	26749	Estimate 26749:	Discount		(\$100)	(\$100)
[A] 10/25/2019	26750	PK Dissecting Forceps EndoWrist Repair Service	420227-SVC (PK Dissecting Forceps EndoWrist Repair Service)	1	\$1,200	\$1,200
[A] 10/25/2019	26751	ProGrasp Forceps EndoWrist Repair Service	420093-SVC (ProGrasp Forceps EndoWrist Repair Service)	1	\$900	\$900
[A] 10/25/2019	26752	ProGrasp Forceps EndoWrist Repair Service	420093-SVC (ProGrasp Forceps EndoWrist Repair Service)	1	\$900	\$900
[A] 10/31/2019	26754	Large SutureCut Needle Driver EndoWrist Repair Service	420296-SVC (Large SutureCut Needle Driver EndoWrist Repair Service)	1	\$900	\$900
[A] 10/31/2019	26754	Cadiere Forceps EndoWrist Repair Service	420049-SVC (Cadiere Forceps EndoWrist Repair Service)	1	\$750	\$750
[A] 10/31/2019	26755	Large Needle Driver EndoWrist Repair Service	420006-SVC (Large Needle Driver EndoWrist Repair Service)	1	\$900	\$900
[A] 10/31/2019	26756	Large Needle Driver EndoWrist Repair Service	420006-SVC (Large Needle Driver EndoWrist Repair Service)	1	\$900	\$900
[A] 11/12/2019	26760	Large Clip Applier EndoWrist Repair Service	420230-SVC (Large Clip Applier EndoWrist Repair Service)	1	\$750	\$750
[A] 11/12/2019	26760	Maryland Bipolar Forceps EndoWrist Repair Service	420172-SVC (Maryland Bipolar Forceps EndoWrist Repair Service)	1	\$1,200	\$1,200
[A] 11/12/2019	26760	Mega SutureCut Needle Driver EndoWrist Repair Service	420309-SVC (Mega SutureCut Needle Driver EndoWrist Repair Service)	1	\$900	\$900
[A] 11/12/2019	26760	Monopolar Curved Scissors EndoWrist Repair Service	420179-SVC (Monopolar Curved Scissors EndoWrist Repair Service)	1	\$1,300	\$1,300
[A] 11/12/2019	26760	Cadiere Forceps EndoWrist Repair Service	420049-SVC (Cadiere Forceps EndoWrist Repair Service)	0	\$750	\$0
[A] 11/12/2019	26760	Monopolar Curved Scissors EndoWrist Repair Service	420179-SVC (Monopolar Curved Scissors EndoWrist Repair Service)	0	\$1,300	\$0
[A] 11/12/2019	26760	Mega Needle Driver EndoWrist Repair Service	420194-SVC (Mega Needle Driver EndoWrist Repair Service)	0	\$900	\$0
[A] 11/12/2019	26760	Large Clip Applier EndoWrist Repair Service	420230-SVC (Large Clip Applier EndoWrist Repair Service)	0	\$750	\$0
[A] 11/12/2019	26760	Used EndoWrist Instrument	EndoWrist (Used EndoWrist Instrument)	4	\$100	\$400
[A] 11/12/2019	26760	Cadiere Forceps EndoWrist Repair Service	420049-SVC (Cadiere Forceps EndoWrist Repair Service)	1	\$750	\$750
[A] 11/12/2019	26760	Monopolar Curved Scissors EndoWrist Repair Service	420179-SVC (Monopolar Curved Scissors EndoWrist Repair Service)	1	\$1,300	\$1,300
[A] 11/12/2019	26760	Mega Needle Driver EndoWrist Repair Service	420194-SVC (Mega Needle Driver EndoWrist Repair Service)	1	\$900	\$900
[A] 11/12/2019	26760	Large Clip Applier EndoWrist Repair Service	420230-SVC (Large Clip Applier EndoWrist Repair Service)	1	\$750	\$750
[A] 11/12/2019	26760	New Customer Discount	Discount		(\$400)	(\$400)
[A] 11/20/2019	26762	Large Needle Driver EndoWrist Repair Service	420006-SVC (Large Needle Driver EndoWrist Repair Service)	1	\$900	\$900

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

Rebotix Sales to SIS: June 27, 2019 - November 21, 2019

Schedule 10.1

Date	Num	Memo	Item	Quantity	Sale Price	Amount
[A] 11/21/2019	26763	Large Clip Applier EndoWrist Repair Service	420230-SVC (Large Clip Applier EndoWrist Repair Service)	1	\$750	\$750
[A] 11/21/2019	26763	Monopolar Curved Scissors EndoWrist Repair Service	420179-SVC (Monopolar Curved Scissors EndoWrist Repair Service)	1	\$1,300	\$1,300
[A] 11/21/2019	26763	Fenestrated Bipolar Forceps EndoWrist Repair Service	420205-SVC (Fenestrated Bipolar Forceps EndoWrist Repair Service)	1	\$1,200	\$1,200
[A] 11/21/2019	26763	Monopolar Curved Scissors EndoWrist Repair Service	420179-SVC (Monopolar Curved Scissors EndoWrist Repair Service)	1	\$1,300	\$1,300
[A] 11/21/2019	26763	Maryland Bipolar Forceps EndoWrist Repair Service	420172-SVC (Maryland Bipolar Forceps EndoWrist Repair Service)	1	\$1,200	\$1,200
[A] 11/21/2019	26763	Tenaculum Forceps EndoWrist Repair Service	420207-SVC (Tenaculum Forceps EndoWrist Repair Service)	0	\$900	\$0
[A] 11/21/2019	26763	Used EndoWrist Instrument	EndoWrist (Used EndoWrist Instrument)	1	\$100	\$100
[A] 11/21/2019	26763	New Customer Discount	Discount		(\$100)	(\$100)
[A] 11/21/2019	26763	Tenaculum Forceps EndoWrist Repair Service	420207-SVC (Tenaculum Forceps EndoWrist Repair Service)	1	\$900	\$900
[B] Total				49		\$35,500

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

[A] Summarized per REBOTIX175326.

[B] Sum of [A].

Potential EndoWrist Instrument Units, Costs and Costs per Unit by System (Using Intuitive Sales Volumes and Rebotix Pricing): 2018 - June 2022

Schedule 11.0

	2018	2019	2020	2021	2022 thru June	Total	%
Units							
[A] da Vinci S/Si							
[B] da Vinci X/Xi							
[C] Total							
Costs							
[A] da Vinci S/Si							
[B] da Vinci X/Xi							
[C] Total							
Cost per unit							
[D] da Vinci S/Si	\$1,037	\$1,038	\$1,043	\$1,055	\$1,039	\$1,040	
[D] da Vinci X/Xi	\$1,026	\$1,019	\$1,023	\$1,034	\$1,041	\$1,028	
[D] Total	\$1,031	\$1,025	\$1,026	\$1,035	\$1,041	\$1,030	

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

[A] Per Schedule 11.1.

[B] Per Schedule 11.2.

[C] = [A] + [B]

[D] Calculated based on the amounts herein.

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

Potential EndoWrist Instrument Units, Costs and Costs per Unit by Product (Instrument Number) - da Vinci S/Si (Using Intuitive Sales Volumes and Rebotix Pricing): 2018 - June 2022

Schedule 11.1

Potential EndoWrist Instrument Units, Costs and Costs per Unit by Product (Instrument Number) - da Vinci S/Si (Using Intuitive Sales Volumes and Rebotix Pricing): 2018 - June 2022

Schedule 11.1

	2018	2019	2020	2021	2022	Total	%
						thru June	
[A]							
[A]							
[A]							
[A]							
[A]							
[A]							
[A]							
[A]							
[A] Total units							
Cost per unit							
[B] 420179	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	
[B] 420006	\$900	\$900	\$900	\$900	\$900	\$900	
[B] 420093	\$900	\$900	\$900	\$900	\$900	\$900	
[B] 420205	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	
[B] 420309	\$900	\$900	\$900	\$900	\$900	\$900	
[B] 420194	\$900	\$900	\$900	\$900	\$900	\$900	
[B] 420172	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	
[B] 420049	\$750	\$750	\$750	\$750	\$750	\$750	
[B] 420227	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	
[B] 420183	\$750	\$750	\$750	\$750	\$750	\$750	
[B] 420296	\$900	\$900	\$900	\$900	\$900	\$900	
[B] 420230	\$750	\$750	\$750	\$750	\$750	\$750	
[B] 420184	\$750	\$750	\$750	\$750	\$750	\$750	
[B] 420327	\$750	\$750	\$750	\$750	\$750	\$750	
[B] 420207	\$900	\$900	\$900	\$900	\$900	\$900	
[B] 420190	\$900	\$900	\$900	\$900	\$900	\$900	
[B] 420189	\$750	\$750	\$750	\$750	\$750	\$750	
[B] 420110	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	
[B] 420048	\$900	\$900	\$900	\$900	\$900	\$900	
[B] 420318	\$900	\$900	\$900	\$900	\$900	\$900	

Potential EndoWrist Instrument Units, Costs and Costs per Unit by Product (Instrument Number) - da Vinci S/Si (Using Intuitive Sales Volumes and Rebotix Pricing): 2018 - June 2022

Schedule 11.1

	2018	2019	2020	2021	2022	Total	%
						thru June	
[B] 420003	\$900	\$900	\$900	\$900	\$900	\$900	
[B] 420001	\$750	\$750	\$750	\$750	\$750	\$750	
[B] 420007	\$750	\$750	\$750	\$750	\$750	\$750	
[B] 420278	\$900	\$900	\$900	\$900	\$900	\$900	
[B] 420344	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	
[B] 420033	\$900	\$900	\$900	\$900	\$900	\$900	
[B] 420036	\$750	\$750	\$750	\$750	\$750	\$750	
[B] 420178	\$750	\$750	\$750	\$750	\$750	\$750	
[B] 420171	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	
[B] 420246	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	
[B] 420249	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	
[B] 420181	\$900	\$900	\$900	\$900	\$900	\$900	
[B] 420157	\$900	\$900	\$900	\$900	\$900	\$900	
[B] 420204	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	
[B] 420121	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	
[B] 420215	\$900	\$900	\$900	\$900	\$900	\$900	
[B] 420203	\$900	\$900	\$900	\$900	\$900	\$900	
[B] 420192	\$750	\$750	\$750	\$750	\$750	\$750	

Costs

[C]
[C]
[C]
[C]
[C]
[C]
[C]
[C]
[C]
[C]

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Potential EndoWrist Instrument Units, Costs and Costs per Unit by Product (Instrument Number) - da Vinci S/Si (Using Intuitive Sales Volumes and Rebotix Pricing): 2018 - June 2022

Schedule 11.1

Potential EndoWrist Instrument Units, Costs and Costs per Unit by Product (Instrument Number) - da Vinci S/Si (Using Intuitive Sales Volumes and Rebotix Pricing): 2018 - June 2022

Schedule 11.1

2018	2019	2020	2021	2022	Total	%
				thru June		

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

- [A] Schedule 13.1.
- [B] Schedule 12.0.
- [C] = [A] * [B]

Potential EndoWrist Instrument Units, Costs and Costs per Unit by Product (Instrument Number) - da Vinci X/Xi (Using Intuitive Sales Volumes and Rebotix Pricing): 2018 - June 2022

Schedule 11.2

	2018	2019	2020	2021	2022	Total	%
Units					thru June		

[A]

Potential EndoWrist Instrument Units, Costs and Costs per Unit by Product (Instrument Number) - da Vinci X/Xi (Using Intuitive Sales Volumes and Rebotix Pricing): 2018 - June 2022

Schedule 11.2

	2018	2019	2020	2021	2022	Total	%
							thru June
[A] 471048							
[A] 470033							
[A] 470249							
[A] 470171							
[A] 470246							
[A] 471171							
[A] 470215							
[A] 470181							
[A] Total units							
Cost per unit							
[B] 470179	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	
[B] 470205	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	
[B] 471205	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	
[B] 470006	\$900	\$900	\$900	\$900	\$900	\$900	
[B] 470093	\$900	\$900	\$900	\$900	\$900	\$900	
[B] 470309	\$900	\$900	\$900	\$900	\$900	\$900	
[B] 471309	\$900	\$900	\$900	\$900	\$900	\$900	
[B] 470183	\$750	\$750	\$750	\$750	\$750	\$750	
[B] 471093	\$900	\$900	\$900	\$900	\$900	\$900	
[B] 471006	\$900	\$900	\$900	\$900	\$900	\$900	
[B] 470194	\$900	\$900	\$900	\$900	\$900	\$900	
[B] 470049	\$750	\$750	\$750	\$750	\$750	\$750	
[B] 470172	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	
[B] 471049	\$750	\$750	\$750	\$750	\$750	\$750	
[B] 471172	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	
[B] 470327	\$750	\$750	\$750	\$750	\$750	\$750	
[B] 470230	\$750	\$750	\$750	\$750	\$750	\$750	
[B] 470318	\$900	\$900	\$900	\$900	\$900	\$900	
[B] 470296	\$900	\$900	\$900	\$900	\$900	\$900	
[B] 471296	\$900	\$900	\$900	\$900	\$900	\$900	
[B] 470184	\$750	\$750	\$750	\$750	\$750	\$750	

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Potential EndoWrist Instrument Units, Costs and Costs per Unit by Product (Instrument Number) - da Vinci X/Xi (Using Intuitive Sales Volumes and Rebotix Pricing): 2018 - June 2022

Schedule 11.2

Costs

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

Potential EndoWrist Instrument Units, Costs and Costs per Unit by Product (Instrument Number) - da Vinci X/Xi (Using Intuitive Sales Volumes and Rebotix Pricing): 2018 - June 2022

Schedule 11.2

Potential EndoWrist Instrument Units, Costs and Costs per Unit by Product (Instrument Number) - da Vinci X/Xi (Using Intuitive Sales Volumes and Rebotix Pricing): 2018 - June 2022

Schedule 11.2

2018	2019	2020	2021	2022 thru June	Total	%
------	------	------	------	-------------------	-------	---

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

- [A] Schedule 13.2.
- [B] Schedule 12.1.
- [C] = [A] * [B]

SIS's EndoWrist Instrument Sales Prices and Costs (from Rebotix) - da Vinci S/Si Schedule 12.0

[1]	[1]	[1]	[2]
Instrument Number	Description	SIS sales price	SIS cost from Rebotix
420179	Hot Shears (Monopolar Curved Scissors)	\$1,700	\$1,300
420110	PreCise Bipolar Forceps	\$1,600	\$1,200
420121	Fine Tissue Forceps	\$1,600	\$1,200
420171	Micro Bipolar Forceps	\$1,600	\$1,200
420172	Maryland Bipolar Forceps	\$1,600	\$1,200
420204	Atrial Retractor	\$1,600	\$1,200
420205	Fenestrated Bipolar Forceps	\$1,600	\$1,200
420227	PK® Dissecting Forceps	\$1,600	\$1,200
420246	Atrial Retractor Short Right	\$1,600	\$1,200
420249	Dual Blade Retractor	\$1,600	\$1,200
420344	Curved Bipolar Dissector	\$1,600	\$1,200
420003	Small Clip Applier	\$1,300	\$900
420006	Large Needle Driver	\$1,300	\$900
420033	Black Diamond Micro Forceps	\$1,300	\$900
420048	Long Tip Forceps	\$1,300	\$900
420093	ProGrasp Forceps	\$1,300	\$900
420157	Snap-fit™ Scalpel Instrument	\$1,300	\$900
420181	Resano Forceps	\$1,300	\$900
420190	Cobra Grasper	\$1,300	\$900
420194	Mega Needle Driver	\$1,300	\$900
420203	Pericardial Dissector	\$1,300	\$900

SIS's EndoWrist Instrument Sales Prices and Costs (from Rebotix) - da Vinci S/Si Schedule 12.0

[1]	[1]	[1]	[2]
Instrument Number	Description	SIS sales price	SIS cost from Rebotix
420207	Tenaculum Forceps	\$1,300	\$900
420215	Cardiac Probe Grasper	\$1,300	\$900
420278	Graptor (Grasping Retractor)	\$1,300	\$900
420296	Large SutureCut™ Needle Driver	\$1,300	\$900
420309	Mega™ SutureCut™ Needle Driver	\$1,300	\$900
420318	Small Graptor (Grasping Retractor)	\$1,300	\$900
420001	Potts Scissors	\$1,100	\$750
420007	Round Tip Scissors	\$1,100	\$750
420036	DeBakey Forceps	\$1,100	\$750
420049	Cadiere Forceps	\$1,100	\$750
420178	Curved Scissors	\$1,100	\$750
420183	Permanent Cautery Hook	\$1,100	\$750
420184	Permanent Cautery Spatula	\$1,100	\$750
420189	Double Fenestrated Grasper	\$1,100	\$750
420192	Valve Hook	\$1,100	\$750
420230	Large Clip Applier	\$1,100	\$750
420327	Medium-Large Clip Applier	\$1,100	\$750

SIS's EndoWrist Instrument Sales Prices and Costs (from Rebotix) - da Vinci S/Si Schedule 12.0

[1]	[1]	[1]	[2]
Instrument Number	Description	SIS sales price	SIS cost from Rebotix

NOTES / SOURCES:

- [1] Per SIS000047-49. See also, Keith Johnson Dep. Ex. 137 (at SIS097181), SIS000035-45 at 44 and SIS000024. Prices shown above are also consistent with prices shown on Schedule 14.0, representing actual sales from SIS to customers.
- [2] Per REBOTIX162208-162212 at 212. Prices above reflect the distributor price offered by Rebotix to distributors. See also, Schedule 10.1 showing sales from Rebotix to SIS.

SIS's EndoWrist Instrument Sales Prices and Costs (from Rebotix) - da Vinci X/Xi Schedule 12.1

Instrument Number	Description	Source of Identification	[1] SIS sales price	[2] SIS cost from Rebotix
470179	Hot Shears (Monopolar Curved Scissors)	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420179	\$1,700	\$1,300
470110	PreCise Bipolar Forceps	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420110	\$1,600	\$1,200
470121	Fine Tissue Forceps	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420121	\$1,600	\$1,200
470171	Micro Bipolar Forceps	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420171	\$1,600	\$1,200
471171	Micro Bipolar Forceps	Da Vinci X/Xi Instrument & Accessory Catalog October 2021	\$1,600	\$1,200
470172	Maryland Bipolar Forceps	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420172	\$1,600	\$1,200
471172	Maryland Bipolar Forceps	Da Vinci X/Xi Instrument & Accessory Catalog October 2021	\$1,600	\$1,200
470204	Atrial Retractor	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420204	\$1,600	\$1,200
470205	Fenestrated Bipolar Forceps	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420205	\$1,600	\$1,200
471205	Fenestrated Bipolar Forceps	Da Vinci X/Xi Instrument & Accessory Catalog October 2021	\$1,600	\$1,200
470227	PK® Dissecting Forceps	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420227	\$1,600	\$1,200
470246	Atrial Retractor Short Right	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420246	\$1,600	\$1,200
470249	Dual Blade Retractor	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420249	\$1,600	\$1,200
470344	Curved Bipolar Dissector	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420344	\$1,600	\$1,200
471344	Curved Bipolar Dissector	Da Vinci X/Xi Instrument & Accessory Catalog October 2021	\$1,600	\$1,200
470003	Small Clip Applier	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420003	\$1,300	\$900
470006	Large Needle Driver	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420006	\$1,300	\$900
471006	Large Needle Driver	Da Vinci X/Xi Instrument & Accessory Catalog October 2021	\$1,300	\$900
470033	Black Diamond Micro Forceps	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420033	\$1,300	\$900
470048	Long Tip Forceps	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420048	\$1,300	\$900
471048	Long Tip Forceps	Da Vinci X/Xi Instrument & Accessory Catalog October 2021	\$1,300	\$900
470093	ProGrap Forceps	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420093	\$1,300	\$900
471093	ProGrap Forceps	Da Vinci X/Xi Instrument & Accessory Catalog October 2021	\$1,300	\$900
470157	Snap-fit™ Scalpel Instrument	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420157	\$1,300	\$900
470181	Resano Forceos	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420181	\$1,300	\$900
470190	Cobra Grasper	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420190	\$1,300	\$900
471190	Cobra Grasper	Da Vinci X/Xi Instrument & Accessory Catalog October 2021	\$1,300	\$900
470194	Mega Needle Driver	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420194	\$1,300	\$900
470203	Pericardial Dissector	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420203	\$1,300	\$900
470207	Tenaculum Forceos	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420207	\$1,300	\$900
470215	Cardiac Probe Grasper	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420215	\$1,300	\$900
470278	Graptor (Grasping Retractor)	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420278	\$1,300	\$900
470296	Large SutureCut™ Needle Driver	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420296	\$1,300	\$900
471296	Large SutureCut™ Needle Driver	Da Vinci X/Xi Instrument & Accessory Catalog October 2021	\$1,300	\$900

SIS's EndoWrist Instrument Sales Prices and Costs (from Rebotix) - da Vinci X/Xi Schedule 12.1

Instrument Number	Description	Source of Identification	[1] SIS sales price	[2] SIS cost from Rebotix
470309	Mega™ SutureCut™ Needle Driver	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420309	\$1,300	\$900
471309	Mega™ SutureCut™ Needle Driver	Da Vinci X/Xi Instrument & Accessory Catalog October 2021	\$1,300	\$900
470318	Small Graptor (Grasping Retractor)	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420318	\$1,300	\$900
470001	Potts Scissors	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420001	\$1,100	\$750
470007	Round Tip Scissors	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420007	\$1,100	\$750
470036	DeBakey Forceps	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420036	\$1,100	\$750
470049	Cadiere Forceps	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 470049	\$1,100	\$750
471049	Cadiere Forceps	Da Vinci X/Xi Instrument & Accessory Catalog October 2021	\$1,100	\$750
470178	Curved Scissors	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420178	\$1,100	\$750
470183	Permanent Cautery Hook	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420183	\$1,100	\$750
470184	Permanent Cautery Spatula	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420184	\$1,100	\$750
470189	Double Fenestrated Grasper	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420189	\$1,100	\$750
470192	Valve Hook	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420192	\$1,100	\$750
470230	Large Clip Applier	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420230	\$1,100	\$750
470327	Medium-Large Clip Applier	Corresponding Da Vinci S/Si Material Number per Schedule 12.0 - 420327	\$1,100	\$750

NOTES / SOURCES:

Note: Per the Deposition of Grant Duque 25-36, 48-52 and 156-157 (November 8, 2022), I understand Intuitive's S/Si and X/Xi EndoWrist instruments are used for the same applications and essentially perform the same functions.

- [1] Per SIS000047-49, pricing was based on the da Vinci S/Si platform. I assume a similar price for the X/Xi platform. This appears reasonable, as per Schedules 13.1 and 13.2, the Intuitive average selling price for similar instrument numbers appear to be the approximately the same (i.e., 420179 and 470179). This would suggest the SIS price to its customers would be approximately the same.
- [2] Per REBOTIX162208-162212 at 212, pricing (cost) was based on the da Vinci S/Si platform. I assume a similar price (cost) for the X/Xi platform. This appears reasonable, as per Schedules 13.1 and 13.2, the Intuitive average selling price for similar instrument numbers appear to be the approximately the same (i.e., 420179 and 470179). This would suggest the price (cost) to SIS would be approximately the same.

SIS's EndoWrist Instrument Sale Price vs Intuitive Sales Price - da Vinci S/Si

Schedule 12.2

[1]	[1]	[1]	[2]	[3]	[4]
Instrument Number	Description	SIS sales price	Intuitive sales price	Difference	% Discount
420179	Hot Shears (Monopolar Curved Scissors)	\$1,700	\$3,200	(\$1,500)	-47%
420110	PreCise Bipolar Forceps	\$1,600	\$2,708	(\$1,108)	-41%
420121	Fine Tissue Forceps	\$1,600	\$2,864	(\$1,264)	-44%
420171	Micro Bipolar Forceps	\$1,600	\$2,755	(\$1,155)	-42%
420172	Maryland Bipolar Forceps	\$1,600	\$2,705	(\$1,105)	-41%
420204	Atrial Retractor	\$1,600	\$2,964	(\$1,364)	-46%
420205	Fenestrated Bipolar Forceps	\$1,600	\$2,702	(\$1,102)	-41%
420227	PK® Dissecting Forceps	\$1,600	\$2,904	(\$1,304)	-45%
420246	Atrial Retractor Short Right	\$1,600	\$2,963	(\$1,363)	-46%
420249	Dual Blade Retractor	\$1,600	\$2,332	(\$732)	-31%
420344	Curved Bipolar Dissector	\$1,600	\$2,735	(\$1,135)	-41%
420003	Small Clip Applier	\$1,300	\$2,410	(\$1,110)	-46%
420006	Large Needle Driver	\$1,300	\$2,200	(\$900)	-41%
420033	Black Diamond Micro Forceps	\$1,300	\$2,519	(\$1,219)	-48%
420048	Long Tip Forceps	\$1,300	\$2,473	(\$1,173)	-47%
420093	ProGrasp Forceps	\$1,300	\$2,201	(\$901)	-41%
420157	Snap-fit™ Scalpel Instrument	\$1,300	\$3,011	(\$1,711)	-57%
420181	Resano Forceps	\$1,300	\$2,228	(\$928)	-42%
420190	Cobra Grasper	\$1,300	\$2,213	(\$913)	-41%
420194	Mega Needle Driver	\$1,300	\$2,201	(\$901)	-41%
420203	Pericardial Dissector	\$1,300	\$2,221	(\$921)	-41%
420207	Tenaculum Forceps	\$1,300	\$2,221	(\$921)	-41%

SIS's EndoWrist Instrument Sale Price vs Intuitive Sales Price - da Vinci S/Si

Schedule 12.2

[1]	[1]	[1]	[2]	[3]	[4]
Instrument Number	Description	SIS sales price	Intuitive sales price	Difference	% Discount
420215	Cardiac Probe Grasper	\$1,300	\$2,248	(\$948)	-42%
420278	Graptor (Grasping Retractor)	\$1,300	\$2,433	(\$1,133)	-47%
420296	Large SutureCut™ Needle Driver	\$1,300	\$2,402	(\$1,102)	-46%
420309	Mega™ SutureCut™ Needle Driver	\$1,300	\$2,405	(\$1,105)	-46%
420318	Small Graptor (Grasping Retractor)	\$1,300	\$2,115	(\$815)	-39%
420001	Potts Scissors	\$1,100	\$1,970	(\$870)	-44%
420007	Round Tip Scissors	\$1,100	\$1,980	(\$880)	-44%
420036	DeBakey Forceps	\$1,100	\$1,866	(\$766)	-41%
420049	Cadiere Forceps	\$1,100	\$2,005	(\$905)	-45%
420178	Curved Scissors	\$1,100	\$2,026	(\$926)	-46%
420183	Permanent Cautery Hook	\$1,100	\$2,008	(\$908)	-45%
420184	Permanent Cautery Spatula	\$1,100	\$2,014	(\$914)	-45%
420189	Double Fenestrated Grasper	\$1,100	\$2,014	(\$914)	-45%
420192	Valve Hook	\$1,100	\$1,799	(\$699)	-39%
420230	Large Clip Applier	\$1,100	\$1,408	(\$308)	-22%
420327	Medium-Large Clip Applier	\$1,100	\$1,410	(\$310)	-22%
Average (simple)					-42%

SIS's EndoWrist Instrument Sale Price vs Intuitive Sales Price - da Vinci S/Si

Schedule 12.2

[1]	[1]	[1]	[2]	[3]	[4]
Instrument Number	Description	SIS sales price	Intuitive sales price	Difference	% Discount

NOTES / SOURCES:

[1] Per Schedule 12.0.

[2] Per Schedule 13.1.

[3] SIS sales price per [1] - [2]

[4] = [3] / [2]

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Intuitive's EndoWrist Instrument Units, Net Sales Dollars and Average Selling Price by System: 2014 - June 2022

Schedule 13.0

	2014	2015	2016	2017	2018	2019	2020	2021	2022 thru June	Total	%	2022 Annualized
Units												
[A] da Vinci S/Si												
[B] da Vinci X/Xi												
[C] Total units												
Net sales dollars												
[A] da Vinci S/Si												
[B] da Vinci X/Xi												
[C] Total net sales dollars												
ASP per unit												
[D] da Vinci S/Si	\$2,508	\$2,511	\$2,518	\$2,521	\$2,528	\$2,537	\$2,572	\$2,659	\$2,538	\$2,524		\$2,538
[D] da Vinci X/Xi	\$2,417	\$2,453	\$2,477	\$2,486	\$2,499	\$2,491	\$2,542	\$2,657	\$2,666	\$2,557		\$2,666
[D] Total ASP per unit	\$2,503	\$2,500	\$2,506	\$2,506	\$2,512	\$2,504	\$2,546	\$2,658	\$2,663	\$2,544		\$2,663

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

[A] Per Schedule 13.1.

[B] Per Schedule 13.2.

[C] = [A] + [B]

[D] Calculated based on the amounts herein.

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Intuitive's EndoWrist Instrument Units and Net Sales Dollars by Product (Instrument Number) - da Vinci S/Si: 2014 - June 2022

Schedule 13.1

2014	2015	2016	2017	2018	2019	2020	2021	2022 thru Jun	Total	%
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Intuitive's EndoWrist Instrument Units and Net Sales Dollars by Product (Instrument Number) - da Vinci S/Si: 2014 - June 2022

Schedule 13.1

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

Intuitive's EndoWrist Instrument Units and Net Sales Dollars by Product (Instrument Number) - da Vinci S/Si: 2014 - June 2022

Schedule 13.1

2014	2015	2016	2017	2018	2019	2020	2021	2022	Total	%
								thru Jun		
\$2,508	\$2,511	\$2,518	\$2,521	\$2,528	\$2,537	\$2,572	\$2,659	\$2,538	\$2,524	

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Intuitive's EndoWrist Instrument Units and Net Sales Dollars by Product (Instrument Number) - da Vinci S/Si: 2014 - June 2022

Schedule 13.1

2014	2015	2016	2017	2018	2019	2020	2021	2022 thru Jun	Total	%
------	------	------	------	------	------	------	------	------------------	-------	---

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

Note: U.S. sales were identified by using the "Comp Code" field and filtering for "2000" and using the "Unit" field and filtering for "EA." Each S/Si instrument above was selected based on SIS000047-49 (See also, Schedule 12.0). Per REBOTIX162208-162212 at 212, I understand all of the S/Si EndoWrists identified above are repairable by Rebotix.

[A] Summarized per Intuitive-00595406-413, Intuitive-00595415-428, Intuitive-00595434-437, Intuitive-00695231-233, Intuitive-01101508 and Intuitive-02025757-759.

[B] Calculated based on the amounts herein.

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Intuitive's EndoWrist Instrument Units and Net Sales Dollars by Product (Instrument Number) - da Vinci X/Xi: 2014 - June 2022

Schedule 13.2

2014	2015	2016	2017	2018	2019	2020	2021	2022	Total	%
								thru June		

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Intuitive's EndoWrist Instrument Units and Net Sales Dollars by Product (Instrument Number) - da Vinci X/Xi: 2014 - June 2022

Schedule 13.2

2014	2015	2016	2017	2018	2019	2020	2021	2022	Total	%
								thru June		

Net sales dollars

[B] Total net sales dollars

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Intuitive's EndoWrist Instrument Units and Net Sales Dollars by Product (Instrument Number) - da Vinci X/Xi: 2014 - June 2022

Schedule 13.2

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

Intuitive's EndoWrist Instrument Units and Net Sales Dollars by Product (Instrument Number) - da Vinci X/Xi: 2014 - June 2022

Schedule 13.2

2014	2015	2016	2017	2018	2019	2020	2021	2022	Total	%
									thru June	

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

Note: U.S. sales were identified by using the "Comp Code" field and filtering for "2000" and using the "Unit" field and filtering for "EA." Each X/Xi instrument was selected as described on Schedule 12.1.

[A] Summarized per Intuitive-00595406-413, Intuitive-00595415-428, Intuitive-00595434-437, Intuitive-00695231-233, Intuitive-01101508 and Intuitive-02025757-759.

[B] Calculated based on the amounts herein.

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SIS's EndoWrist Instrument Repair Summary

Schedule 14.0

[1]	[1]	[1]	[1]	[1]	[2]	[1]	[1]	[1]	[1]	[1]	[3]	[3]	[3]	[3]
Order date	Customer	Invoice #	Quantity	Price	Sales	Item (EndoWrist Instrument Number)	Item description	Item comments	Total count	Repaired count	Not repaired count	Expired count	Not supported count	
11/14/18	ALEXIAN BROTHERS MEDICAL CTR	60576-1	1	\$0.00	N/A	470001	DaVinci Potts Scissors	Severely damaged. BEYOND REPAIR. Needs replacement	1	1	1			
06/28/19	LEGACY GOOD SAMARITAN	61059-1	1	\$1,300.00	\$1,300.00	420309	Needle Driver, Mega Suture Cut	Refurbish tool end. Clean. Mechanical inspection and testing. Electrical safety testing. Use count reset and test all functions	2	1				
07/18/19	LEGACY GOOD SAMARITAN	61064-1	1	\$1,300.00	\$1,300.00	420309	Needle Driver, Mega Suture Cut	Refurbish tool end. Clean. Mechanical inspection and testing. Electrical safety testing. Use count reset and test all functions	3	2				
08/27/19	KAISER FONTANA	95513-1	1	\$1,700.00	\$0.00	420179	Monopolar Curved Scissors	Monopolar Curved Scissors EndoWrist Repair Services	4	3				
08/27/19	KAISER FONTANA	95513-1	1	\$1,600.00	\$0.00	420205	Fenestrated Bipolar Forceps	Fenestrated Bipolar Forceps EndoWrist Repair Services	5	4				
08/27/19	KAISER FONTANA	95513-1	1	\$1,300.00	\$0.00	420093	ProGrasp Forceps	ProGrasp Forceps EndoWrist Repair Services	6	5				
08/27/19	KAISER FONTANA	95513-1	1	\$1,300.00	\$0.00	420194	Mega Needle Driver	Mega Needle Driver EndoWrist Repair Services	7	6				
09/09/19	KAISER FONTANA	60733-1	1	\$1,300.00	\$1,300.00	420318	Small Grapto (Grasping Retractor)	Refurbish tool end. Clean. Mechanical inspection and testing. Electrical safety testing. Use count reset and test all functions	8	7				
09/09/19	KAISER FONTANA	60733-1	1	\$1,300.00	\$1,300.00	420006	Needle Driver, Large	Refurbish tool end. Clean. Mechanical inspection and testing. Electrical safety testing. Use count reset and test all functions	9	8				
09/09/19	KAISER FONTANA	60733-1	1	\$1,300.00	\$1,300.00	420093	Forceps, ProGrasp	Refurbish tool end. Clean. Mechanical inspection and testing. Electrical safety testing. Use count reset and test all functions.	10	9				
09/09/19	KAISER FONTANA	60733-1	1	\$1,300.00	\$1,300.00	420318	Small Grapto (Grasping Retractor)	Refurbish tool end. Clean. Mechanical inspection and testing. Electrical safety testing. Use count reset and test all functions.	11	10				
09/09/19	KAISER FONTANA	60733-1	1	\$1,100.00	\$1,100.00	420049	Forceps, Cadiere	Refurbish tool end. Clean. Mechanical inspection and testing. Electrical safety testing. Use count reset and test all functions.	12	11				
09/09/19	KAISER FONTANA	60733-2	1	\$0.00	N/A	420172	Bipolar Forceps, Maryland	BEYOND REPAIR. Needs replacement	13		2			
09/09/19	KAISER FONTANA	60733-2	1	\$0.00	N/A	420172	Bipolar Forceps, Maryland	BEYOND REPAIR. Needs replacement	14		3			
09/09/19	KAISER FONTANA	60733-2	1	\$0.00	N/A	420172	Bipolar Forceps, Maryland	BEYOND REPAIR. Needs replacement	15		4			
	ADVOCATE GOOD SAMARITAN	95713-1	1	\$0.00	N/A	420205	Fenestrated Bipolar Forceps	Expired. BEYOND REPAIR. SIS is unable to provide a replacement	16		1			
10/29/19	MARIN HEALTH MEDICAL CENTER	90009-1	1	\$1,300.00	\$1,300.00	420296	Needle Driver, Large Suture Cut	Refurbish tool end. Clean. Mechanical inspection and testing. Electrical safety testing. Use count reset and test all functions.	17	12				
10/29/19	MARIN HEALTH MEDICAL CENTER	90009-1	1	\$1,300.00	\$1,300.00	420194	Needle Driver, Mega	Refurbish tool end. Clean. Mechanical inspection and testing. Electrical safety testing. Use count reset and test all functions.	18	13				
10/29/19	MARIN HEALTH MEDICAL CENTER	90009-1	1	\$1,100.00	\$1,100.00	420036	Forceps, DeBakey	Refurbish tool end. Clean. Mechanical inspection and testing. Electrical safety testing. Use count reset and test all functions.	19	14				
10/29/19	MARIN HEALTH MEDICAL CENTER	90009-1	1	\$1,600.00	\$1,600.00	420172	Bipolar Forceps, Maryland	Refurbish tool end. Clean. Mechanical inspection and testing. Electrical safety testing. Use count reset and test all functions.	20	15				
10/29/19	MARIN HEALTH MEDICAL CENTER	90009-1	1	\$1,300.00	\$1,300.00	420194	Needle Driver, Mega	Refurbish tool end. Clean. Mechanical inspection and testing. Electrical safety testing. Use count reset and test all functions.	21	16				
10/30/19	ADVOCATE SOUTH SUBURBAN HOSP	61148-1	1	\$1,600.00	\$1,600.00	420205	Fenestrated Bipolar Forceps	Repair/Exchange. Received SN: N10190207	22	17				
10/30/19	ADVOCATE SOUTH SUBURBAN HOSP	61148-2	1	\$1,600.00	\$1,600.00	420227	PK® Dissecting Forceps	Refurbish tool end. Clean. Mechanical inspection and testing. Electrical safety testing. Use count reset and test all functions.	23	18				
10/30/19	ADVOCATE SOUTH SUBURBAN HOSP	61148-3	1	\$1,300.00	\$1,300.00	420093	Forceps, ProGrasp	Refurbish tool end. Clean. Mechanical inspection and testing. Electrical safety testing. Use count reset and test all functions.	24	19				
10/30/19	ADVOCATE SOUTH SUBURBAN HOSP	61148-4	1	\$1,300.00	\$1,300.00	420093	Forceps, ProGrasp	Refurbish tool end. Clean. Mechanical inspection and testing. Electrical safety testing. Use count reset and test all functions.	25	20				
10/30/19	ADVOCATE SOUTH SUBURBAN HOSP	61148-5	1	\$1,300.00	\$1,300.00	420006	Needle Driver, Large	Repair/Exchange. Received SN: N10190327	26	21				
10/30/19	ADVOCATE SOUTH SUBURBAN HOSP	61148-6	1	\$1,100.00	\$1,100.00	420049	Forceps, Cadiere	Refurbish tool end. Clean. Mechanical inspection and testing. Electrical safety testing. Use count reset and test all functions.	27	22				
10/30/19	ADVOCATE SOUTH SUBURBAN HOSP	61148-7	1	\$1,300.00	\$1,300.00	420093	Forceps, ProGrasp	Refurbish tool end. Clean. Mechanical inspection and testing. Electrical safety testing. Use count reset and test all functions.	28	23				
10/29/19	ADVOCATE SOUTH SUBURBAN HOSP	61148-8	1	\$0.00	N/A	420049	Forceps, Cadiere	Expired and disposed of. BEYOND REPAIR. SIS is unable to provide a replacement.	29		2			
11/06/19	ADVOCATE SOUTH SUBURBAN HOSP	61156-1	1	\$1,300.00	\$1,300.00	420006	Needle Driver, Large	Refurbish tool end. Clean. Mechanical inspection and testing. Electrical safety testing. Use count reset and test all functions.	30	24				
11/06/19	ADVOCATE SOUTH SUBURBAN HOSP	61156-2	1	\$1,300.00	\$1,300.00	420006	Needle Driver, Large	Refurbish tool end. Clean. Mechanical inspection and testing. Electrical safety testing. Use count reset and test all functions.	31	25				
11/14/19	MARIN HEALTH MEDICAL CENTER	60137-1	1	\$1,300.00	\$1,300.00	420296	Needle Driver, Large Suture Cut	Refurbish tool end. Clean. Mechanical inspection and testing. Electrical safety testing. Use count reset and test all functions.	32	26				
11/14/19	MARIN HEALTH MEDICAL CENTER	60137-1	1	\$1,100.00	\$1,100.00	420049	Forceps, Cadiere	Refurbish tool end. Clean. Mechanical inspection and testing. Electrical safety testing. Use count reset and test all functions.	33	27				
11/15/19	MARIN HEALTH MEDICAL CENTER	90008-1	1	\$1,700.00	N/A	420179	Scissors, Curved Monopolar	Repair/Exchange. Received SN: N12190701	34	28				
11/15/19	MARIN HEALTH MEDICAL CENTER	90008-1	1	\$1,300.00	N/A	420309	Needle Driver, Mega Suture Cut	Refurbish tool end. Clean. Mechanical inspection and testing. Electrical safety testing. Use count reset and test all functions.	35	29				
11/15/19	MARIN HEALTH MEDICAL CENTER	90008-1	1	\$1,700.00	N/A	420179	Scissors, Curved Monopolar	Refurbish tool end. Clean. Mechanical inspection and testing. Electrical safety testing. Use count reset and test all functions.	36	30				

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SIS's EndoWrist Instrument Repair Summary

Schedule 14.0

[1]	[1]	[1]	[1]	[1]	[2]	[1]	[1]	[1]	[1]	[1]	[3]	[3]	[3]	[3]
Order date	Customer	Invoice #	Quantity	Price	Sales	Item (EndoWrist Instrument Number)	Item description	Item comments	Total count	Repaired count	Not repaired count	Expired count	Not supported count	
11/15/19	MARIN HEALTH MEDICAL CENTER	90008-1	1	\$1,100.00	N/A	420049	Forceps, Cadiere	Repair/Exchange. Received SN: N10180822	37	31				
11/15/19	MARIN HEALTH MEDICAL CENTER	90008-1	1	\$1,100.00	N/A	420230	Applier, Large Clip	Refurbish tool end. Clean. Mechanical inspection and testing. Electrical safety testing. Use count reset and test all functions.	38	32				
11/15/19	MARIN HEALTH MEDICAL CENTER	90008-1	1	\$1,600.00	N/A	420172	Bipolar Forceps, Maryland	Refurbish tool end. Clean. Mechanical inspection and testing. Electrical safety testing. Use count reset and test all functions.	39	33				
11/15/19	MARIN HEALTH MEDICAL CENTER	90008-1	1	\$1,100.00	N/A	420230	Applier, Large Clip	Repair/Exchange. Received SN: N10170921	40	34				
11/15/19	MARIN HEALTH MEDICAL CENTER	90008-1	1	\$1,300.00	N/A	420194	Needle Driver, Mega	Repair/Exchange. Received SN: M10140121	41	35				
11/15/19	MARIN HEALTH MEDICAL CENTER	90008-1	1	\$0.00	N/A	420275	Shears, Harmonic Ace Curved	Model number is not supported. NO REPAIR	42				1	
	ADVOCATE GOOD SAMARITAN	96156-1	1	\$1,300.00	N/A	420006	Needle Driver, Large	Refurbish tool end. Clean. Mechanical inspection and testing. Electrical safety testing. Use count reset and test all functions.	43	36				
12/10/19	MARIN HEALTH MEDICAL CENTER	90010-1	1	\$1,100.00	\$1,100.00	420230	Applier, Large Clip	Refurbish tool end. Clean. Mechanical inspection and testing. Electrical safety testing. Use count reset and test all functions.	44	37				
12/10/19	MARIN HEALTH MEDICAL CENTER	90010-1	1	\$1,300.00	\$1,300.00	420207	Forceps, Tenaculum	Electrical safety testing. Use count reset and test all functions.	45	38				
12/10/19	MARIN HEALTH MEDICAL CENTER	90010-1	1	\$1,600.00	\$1,600.00	420172	Bipolar Forceps, Maryland	Repair/Exchange. Received SN: M10100316	46	39				
12/10/19	MARIN HEALTH MEDICAL CENTER	90010-1	1	\$1,600.00	\$1,600.00	420172	Bipolar Forceps, Maryland	Refurbish tool end. Clean. Mechanical inspection and testing. Electrical safety testing. Use count reset and test all functions.	47	40				
12/10/19	MARIN HEALTH MEDICAL CENTER	90010-1	1	\$1,700.00	\$1,700.00	420179	Scissors, Curved Monopolar	Refurbish tool end. Clean. Mechanical inspection and testing. Electrical safety testing. Use count reset and test all functions.	48	41				
12/10/19	MARIN HEALTH MEDICAL CENTER	90010-1	1	\$1,600.00	\$1,600.00	420205	Fenestrated Bipolar Forceps	Refurbish tool end. Clean. Mechanical inspection and testing. Electrical safety testing. Use count reset and test all functions.	49	42				
								Total	49	42	4	2	1	
								[A] Repair yield of SIS collectable units		88%				

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

Note: Column headings are based on a review of invoices, for example, SIS000097-112.

[1] Summarized per SIS000167.

[2] Summarized per SIS000097-112. I have indicated "N/A" for records where invoices could not be located.

[3] Count based on "Item Comments."

[A] Calculated as Repaired Count / (Repaired Count + Not Repaired Count + Expired Count).

SIS's Financial Statements: 2019 - October 2021

Schedule 15.0

	[1]		[2]		[3]	
	2019		2020		2021 (thru Oct)	
	Amount	%	Amount	%	Amount	%
Revenue	\$6,996,108	100.0%	\$10,723,980	100.0%	\$10,092,079	100.0%
Cost of goods sold	\$4,084,286	58.4%	\$5,863,755	54.7%	\$5,813,610	57.6%
Gross profit	\$2,911,822	41.6%	\$4,860,225	45.3%	\$4,278,469	42.4%
Expenses:						
Selling	\$1,415,642	20.2%	\$1,893,403	17.7%	\$1,899,002	18.8%
General and admin	\$1,125,420	16.1%	\$1,224,361	11.4%	\$1,428,002	14.1%
Total expenses	\$2,541,062	36.3%	\$3,117,764	29.1%	\$3,327,004	33.0%
Operating income	\$370,760	5.3%	\$1,742,461	16.2%	\$951,465	9.4%
Other income and (expense)	(\$2,175)	0.0%	\$571,623	5.3%	\$1,208	0.0%
Profit before taxes	\$368,585	5.3%	\$2,314,084	21.6%	\$952,673	9.4%

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

[1] Per SIS320176-188 at 176.

[2] Per SIS320922-935 at 922.

[3] Per SIS327629-636 at 629. Note: Per discussions with Greg Posdal, SIS's 2021 sales approximated \$12.4 million.

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SIS's Detailed SGA: 2019 - October 2021

Schedule 15.1

	[1]		[2]		[3]		[4]		[4]	[4]	
	2019		2020		2021 (thru Oct)		Total		Fixed / Variable	Variable as a % of revenue	Notes
	Amount	%	Amount	%	Amount	%	Amount	%			
Revenue	\$6,996,108	100.00%	\$10,723,980	100.00%	\$10,092,079	100.00%	\$27,812,167	100.00%			
Cost of goods sold	\$4,084,286	58.38%	\$5,863,755	54.68%	\$5,813,610	57.61%	\$15,761,651	56.67%			
Gross profit	\$2,911,822	41.62%	\$4,860,225	45.32%	\$4,278,469	42.39%	\$12,050,516	43.33%			
Expenses:											
<u>Selling:</u>											
Wages - Sales	\$611,469	8.74%	\$732,356	6.83%	\$688,552	6.82%	\$2,032,377	7.31%	Partially variable	2.00%	Currently have approximately 10-12 Associate Sales Representatives ("ASRs") managing more than 1 million annual repair units, which approximates 80,000-100,000 repair units per ASR. According to discussion with Greg Posdal, SIS would potentially add up to as many as 10 additional ASRs to sell both EndoWrist repairs and other SIS products/services. New ASRs cost approximately \$50,000 in wages annually. Ten ASRs would approximate \$500,000 in wages per year, which represents less than 1% of the maximum annual lost EndoWrist repair revenue of approximately \$71.2 million as shown on Schedule 2.0. In addition, SIS pays a 1% commission for each EndoWrist sale. For purposes of my analysis, I use 2% as variable.
Depreciation	\$99,593	1.42%	\$138,413	1.29%	\$186,331	1.85%	\$424,337	1.53%	Fixed		Consists of depreciation for larger equipment, machining center, loaner inventory, vehicles and on-site repair vans.
Rent	\$132,070	1.89%	\$138,389	1.29%	\$125,989	1.25%	\$396,448	1.43%	Fixed		No need for additional space for EndoWrist repairs.
Insurance Group	\$110,040	1.57%	\$151,624	1.41%	\$123,787	1.23%	\$385,451	1.39%	Partially variable	1.39%	Consists of employee health insurance premiums. For purposes of my analysis, I treat this as variable.
Professional Fees	\$76,345	1.09%	\$101,522	0.95%	\$134,047	1.33%	\$311,914	1.12%	Fixed		Consists of attorney and accountant fees and one off fees for consultant and training.
Insurance	\$61,858	0.88%	\$87,102	0.81%	\$86,377	0.86%	\$235,337	0.85%	Partially variable	0.85%	Consists of life insurance, workers comp, general liability insurance premiums. For purposes of my analysis, I treat this as variable.
Outside Services	\$40,858	0.58%	\$80,989	0.76%	\$90,703	0.90%	\$212,550	0.76%	Fixed		Consists of IT support and temporary employee labor fees.
Sales - Bonus	0.00%		\$100,000	0.93%	\$87,386	0.87%	\$187,386	0.67%	Variable	0.67%	
Operating Supplies	\$28,480	0.41%	\$86,029	0.80%	\$62,804	0.62%	\$177,313	0.64%	Variable	0.64%	Consists of non-inventory production, lab supplies and small tools.
Maintenance & Repair	\$33,229	0.47%	\$69,539	0.65%	\$47,595	0.47%	\$150,363	0.54%	Fixed		Fire prevention, janitorial cleaning, small repairs, lawn service and HVAC.
Office Expense	\$50,009	0.71%	\$59,239	0.55%	\$27,090	0.27%	\$136,338	0.49%	Partially variable	0.49%	For purposes of my analysis, I treat this as variable.
Real Estate Taxes	\$40,773	0.58%	\$45,735	0.43%	\$41,176	0.41%	\$127,684	0.46%	Fixed		SIS would not require additional space.
Entertainment	\$47,255	0.68%	\$40,153	0.37%	\$32,022	0.32%	\$119,430	0.43%	Variable	0.43%	
Payroll Fees	\$10,525	0.15%	\$17,306	0.16%	\$56,617	0.56%	\$84,448	0.30%	Variable	0.05%	Calculated as (0.30% Payroll Fees / (7.31% Wages - Sales + 0.67% Sales - Bonus + 4.10% Salaries/Employees + 2.65% Salaries/Officers + 0.10% Salaries Office AZ) *(2.00% Wages - Sales + 0.20% Salaries/Employees) as I understand this relates to selling, general and administrative wages and bonuses paid.
Interest Expense	\$34,572	0.49%	\$19,034	0.18%	\$9,679	0.10%	\$63,285	0.23%	Fixed		Consists of interest on the line of credit which would potentially decrease.
Sales & Marketing	\$1,827	0.03%	\$325	0.00%	\$45,346	0.45%	\$47,498	0.17%	Variable	0.17%	
Dues & Subscriptions	\$16,747	0.24%	\$7,796	0.07%	\$7,387	0.07%	\$31,930	0.11%	Fixed		
Printing & Advertise	\$5,572	0.08%	\$6,252	0.06%	\$10,994	0.11%	\$22,818	0.08%	Variable	0.08%	
Meals	0.00%		0.00%		\$22,469	0.22%	\$22,469	0.08%	Variable	0.08%	
Misc Expense	0.00%		\$5,000	0.05%	\$6,903	0.07%	\$11,903	0.04%	Variable	0.04%	
Licenses & Permits	\$6,550	0.09%	\$2,562	0.02%	\$511	0.01%	\$9,623	0.03%	Fixed		
Promotional & Gifts	\$1,948	0.03%	\$1,098	0.01%	\$3,286	0.03%	\$6,332	0.02%	Variable	0.02%	
Postage	\$2,278	0.03%	\$1,613	0.02%	\$1,878	0.02%	\$5,769	0.02%	Variable	0.02%	
Amortization	\$3,644	0.05%	\$1,302	0.01%	0.00%		\$4,946	0.02%	Fixed		
Professional Mktg Fees	0.00%		\$25	0.00%	\$73	0.00%	\$98	0.00%	Fixed		
Total selling	\$1,415,642	20.23%	\$1,893,403	17.66%	\$1,899,002	18.82%	\$5,208,047	18.73%		6.93%	

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

SIS's Detailed SGA: 2019 - October 2021

Schedule 15.1

	[1]		[2]		[3]		[4]		[4]	[4]	
	2019		2020		2021 (thru Oct)		Total		Fixed / Variable	Variable as a % of revenue	Notes
	Amount	%	Amount	%	Amount	%	Amount	%			
General and admin:											
Salaries/Employees	\$267,488	3.82%	\$356,501	3.32%	\$516,607	5.12%	\$1,140,596	4.10%	Essentially fixed	0.20%	Consists of IT, HR/Payroll, Recruiting, Accounting, COO and Account Managers. If SIS added approximately 2 Account Managers at approximately \$50,000 each, or \$100,000 in total wages, this would approximate 0.14% of the maximum annual lost EndoWrist repair revenue of approximately \$71.2 million as shown on Schedule 2.0. For purposes of my analysis, I use 0.20% as variable.
Payroll Tax FICA	\$192,098	2.75%	\$272,758	2.54%	\$273,616	2.71%	\$738,472	2.66%	Variable	0.40%	Calculated as (2.66% Payroll Tax FICA / (7.31% Wages - Sales + 0.67% Sales - Bonus + 4.10% Salaries/Employees + 2.65% Salaries/Officers + 0.10% Salaries Office AZ) *(2.00% Wages - Sales + 0.20% Salaries/Employees) as I understand this relates to all selling, general and administrative wages and bonuses paid.
Salaries/Officers	\$254,886	3.64%	\$291,238	2.72%	\$190,923	1.89%	\$737,047	2.65%	Fixed		
Travel	\$234,380	3.35%	\$173,676	1.62%	\$248,886	2.47%	\$656,942	2.36%	Partially variable	1.00%	Large portion of current expenses is related to technical assistance or educational travel. For purposes of my analysis, treat this as variable.
Telephone	\$30,596	0.44%	\$38,251	0.36%	\$31,391	0.31%	\$100,238	0.36%	Fixed		
Seminars/Conferences	\$49,859	0.71%	\$10,400	0.10%	\$23,376	0.23%	\$83,635	0.30%	Fixed		
Payroll Tax - Other	\$18,828	0.27%	\$24,850	0.23%	\$33,876	0.34%	\$77,554	0.28%	Variable	0.04%	Calculated as (0.28% Payroll Tax - Other / (7.31% Wages - Sales + 0.67% Sales - Bonus + 4.10% Salaries/Employees + 2.65% Salaries/Officers + 0.10% Salaries Office AZ) *(2.00% Wages - Sales + 0.20% Salaries/Employees) as I understand this relates to selling, general and administrative wages and bonuses paid.
Utilities	\$24,226	0.35%	\$22,605	0.21%	\$26,145	0.26%	\$72,976	0.26%	Fixed	0.26%	For purposes of my analysis, I treat this as variable.
Bad Debts	\$23,805	0.34%	\$20,000	0.19%	\$2,164	0.02%	\$45,969	0.17%	Fixed		
Employee Recruitment	\$6,892	0.10%	\$5,287	0.05%	\$24,267	0.24%	\$36,446	0.13%	Variable	0.13%	
Moving Expense	\$8,590	0.12%			\$19,669	0.19%	\$28,259	0.10%	Fixed		
Salaries Office AZ		0.00%			\$26,428	0.26%	\$26,428	0.10%	Fixed		Represents one employee.
Medical Reimburse	\$5,120	0.07%	\$1,569	0.01%	\$7,107	0.07%	\$13,796	0.05%	Fixed		
Credit Card Fees	\$5,249	0.08%	\$5,247	0.05%	\$3,168	0.03%	\$13,664	0.05%	Fixed		
Vehicle	\$2,853	0.04%			(\$453)	0.00%	\$2,400	0.01%	Fixed		
Bank Charges	\$777	0.01%	\$470	0.00%	\$825	0.01%	\$2,072	0.01%	Fixed		
Sales Tax	(\$227)	0.00%	\$1,509	0.01%	\$7	0.00%	\$1,289	0.00%	Fixed		
Sub-total G&A expenses	\$1,125,420	16.09%	\$1,224,361	11.42%	\$1,428,002	14.15%	\$3,777,783	13.58%		2.03%	
Total expenses	\$2,541,062	36.32%	\$3,117,764	29.07%	\$3,327,004	32.97%	\$8,985,830	32.31%		8.96%	
								Rounded to		9.00%	

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

[1] Per SIS320176-188 at 176.

[2] Per SIS320922-935 at 922.

[3] Per SIS327629-636 at 629. Note: Per discussions with Greg Posdal, SIS's 2021 sales approximated \$12.4 million.

[4] Per discussions with Greg Posdal.

Intuitive EndoWrist Instrument Average Selling Price, Units and Net Sales Dollars: 2020 - 2025 Schedule 16.0

	2020	2021	2022	2023	2024	2025	Total
ASP per unit							
[A] da Vinci S/Si	\$2,572	\$2,659	\$2,538	\$2,538	\$2,538	\$2,538	\$2,588
[A] da Vinci X/Xi	\$2,542	\$2,657	\$2,666	\$2,666	\$2,666	\$2,666	\$2,649
[A] Total ASP per unit	\$2,546	\$2,658	\$2,663	\$2,663	\$2,663	\$2,663	\$2,646
Units							
[B] da Vinci S/Si			3,839	1,928	1,077	90,439	
[B] da Vinci X/Xi			422,719	455,982	437,186	2,327,724	
[B] Total units			426,558	457,910	438,263	2,418,163	
Net sales dollars							
[C] da Vinci S/Si			\$9,743,382	\$4,893,264	\$2,733,426	\$234,046,893	
[C] da Vinci X/Xi			\$1,126,968,854	\$1,215,648,012	\$1,165,537,876	\$6,165,398,677	
[C] Total net sales dollars			\$1,136,712,236	\$1,220,541,276	\$1,168,271,302	\$6,399,445,570	

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

[A] Per Schedule 13.0. ASP per unit after June 2022 is based on Intuitive ASP through June 2022. Total ASP is calculated based on the amounts herein.

[B] Per Schedule 6.0.

[C] = [A] * [B]

Lanham Act Based on Scenario 2 - Unenforceable Contracts (2 Year X/Xi Delay): 2020 - 2025

Updated Schedule 16.1

	2020	2021	2022	2023	2024	2025	Total
Intuitive's ASP per unit							
[A] da Vinci S/Si	\$2,572	\$2,659	\$2,538	\$2,538	\$2,538	\$2,538	\$2,594
[A] da Vinci X/Xi	\$2,542	\$2,657	\$2,666	\$2,666	\$2,666	\$2,666	\$2,666
Lost EndoWrist repair units							
[B] da Vinci S/Si	1,273	1,796	921	431	170	35	4,626
[B] da Vinci X/Xi	0	0	8,779	33,862	40,179	14,008	96,828
[B] Total units	1,273	1,796	9,700	34,293	40,349	14,043	101,454
Net sales dollars (undiscounted)							
[C] da Vinci S/Si	\$3,274,156	\$4,775,564	\$2,337,498	\$1,093,878	\$431,460	\$88,830	\$12,001,386
[C] da Vinci X/Xi	\$0	\$0	\$23,404,814	\$90,276,092	\$107,117,214	\$37,345,328	\$258,143,448
[C] Total net sales dollars	\$3,274,156	\$4,775,564	\$25,742,312	\$91,369,970	\$107,548,674	\$37,434,158	\$270,144,834
[D] Discount %					12%	12%	
[E] Discount period					0.5	1.5	
[F] Discount factor	1.00000	1.00000	1.00000	1.00000	0.94491	0.84367	
[G] Discounted net sales dollars	\$3,274,156	\$4,775,564	\$25,742,312	\$91,369,970	\$101,623,818	\$31,582,076	\$258,367,896

Lanham Act Based on Scenario 2 - Unenforceable Contracts (2 Year X/Xi Delay): 2020 - 2025 Updated Schedule 16.1

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

[A] Per Schedule 13.0. ASP per unit after June 2022 is based on Intuitive ASP through June 2022. Total ASP is calculated based on the amounts herein.

[B] Per Updated Schedule 4.2.

[C] = [A] * [B]

[D] For the GICS 35101010, Health Care Equipment & Supplies, Duff and Phelps - Cost of Capital Composite, September 30, 2022, the average SIC/GICS Composite WACC (weighted average cost of capital) is 9.2% and median WACC is 8.9%. For the small composite, the WACC is 11.1% to 11.2% (CRSP Decile). For purposes of my analysis I use 12%, which is conservative. Note: The projections after 2022 do not include growth, therefore the discount rate would likely be less.

[E] Calculated using the mid-year convention to January 1, 2024, the approximate date of trial.

[F] = $(1 + [H])^{1/5} - [I]$, rounded to 5 decimals.

[G] = Net sales dollars (undiscounted) per [C] * [F]

Lanham Act Based on Scenario 2 - Unenforceable Contracts (1 Year X/Xi Delay): 2020 - 2025

Updated Schedule 16.2

	2020	2021	2022	2023	2024	2025	Total
Intuitive's ASP per unit							
[A] da Vinci S/Si	\$2,572	\$2,659	\$2,538	\$2,538	\$2,538	\$2,538	\$2,594
[A] da Vinci X/Xi	\$2,542	\$2,657	\$2,666	\$2,666	\$2,666	\$2,666	\$2,665
Lost EndoWrist repair units							
[B] da Vinci S/Si	1,273	1,796	921	431	170	35	4,626
[B] da Vinci X/Xi	0	8,329	29,263	47,407	40,179	14,008	139,186
[B] Total units	1,273	10,125	30,184	47,838	40,349	14,043	143,812
Net sales dollars (undiscounted)							
[C] da Vinci S/Si	\$3,274,156	\$4,775,564	\$2,337,498	\$1,093,878	\$431,460	\$88,830	\$12,001,386
[C] da Vinci X/Xi	\$0	\$22,130,153	\$78,015,158	\$126,387,062	\$107,117,214	\$37,345,328	\$370,994,915
[C] Total net sales dollars	\$3,274,156	\$26,905,717	\$80,352,656	\$127,480,940	\$107,548,674	\$37,434,158	\$382,996,301
[D] Discount %					12%	12%	
[E] Discount period					0.5	1.5	
[F] Discount factor	1.00000	1.00000	1.00000	1.00000	0.94491	0.84367	
[G] Discounted net sales dollars	\$3,274,156	\$26,905,717	\$80,352,656	\$127,480,940	\$101,623,818	\$31,582,076	\$371,219,363

Lanham Act Based on Scenario 2 - Unenforceable Contracts (1 Year X/Xi Delay): 2020 - 2025 Updated Schedule 16.2

NOTES / SOURCES:

Note: Any minor differences are due to rounding.

[A] Per Schedule 13.0. ASP per unit after June 2022 is based on Intuitive ASP through June 2022. Total ASP is calculated based on the amounts herein.

[B] Per Updated Schedule 4.5.

[C] = [A] * [B]

[D] For the GICS 35101010, Health Care Equipment & Supplies, Duff and Phelps - Cost of Capital Composite, September 30, 2022, the average SIC/GICS Composite WACC (weighted average cost of capital) is 9.2% and median WACC is 8.9%. For the small composite, the WACC is 11.1% to 11.2% (CRSP Decile). For purposes of my analysis I use 12%, which is conservative. Note: The projections after 2022 do not include growth, therefore the discount rate would likely be less.

[E] Calculated using the mid-year convention to January 1, 2024, the approximate date of trial.

[F] = $(1 + [H])^{1/5} - [I]$, rounded to 5 decimals.

[G] = Net sales dollars (undiscounted) per [C] * [F]